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## **Southeast Asia Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

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7 March 1984

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Respond to Changing Requirements

Melbourne THE AGE in English 3 Feb 84 p 13

[Editorial: "Hawke's Message From Tokyo"]

[Text]

**A**USTRALIAN Prime Ministers abroad have been known to exercise their eloquence in telling foreigners what they wish to hear and then, on their return, to succumb to expedience by heeding local interests to the contrary. The theme of the virtues of free trade has been a recurring one overseas, while the vice of high protectionism remains firmly entrenched at home. Perhaps the remarkably successful visit by Mr Hawke to Tokyo breaks the pattern. Mr Hawke has been welcomed by Japanese political and business leaders as a serious man, in the best French sense of the term. They are impressed by his authority, sincerity and domestic popularity. He has reciprocated by taking them seriously. He is no mere eucalyptus oil salesman. His speech to a gathering of influential Japanese businessmen and industrialists was directed as much to Australian unions and employers as to his immediate audience, indeed more so. The Prime Minister called not only for a revision of Australia's trade relationship with Japan; he emphasised the necessity for faster structural changes in the Australian economy. His argument was that Australia could not depend on continued growth of Japanese demand for traditional supplies of raw materials, agricultural and mineral. Australia would have to diversify its exports in response to Japan's changing import requirements. This meant restructuring Australia's uncompetitive manufacturing industries and developing the financial and service sector, making the most of new technology and accepting greater flexibility in work practices.

It was a message that Australians cannot afford to ignore. It was also timely: now that the nation is emerging from recession, it must give priority to ensuring a sound basis for future prosperity over the customary preoccupation with sharing the rewards of economic growth. Mr Hawke took the opportunity to stress the importance of the prices and incomes accord, of high levels of investment from local and overseas sources, of avoiding combative industrial relations, of better education and training, and — uncharacteristically for a Labor Government — of more care in allocating resources to their most productive uses.

If his listeners could be forgiven for lifting their eyebrows in the slightest hint of scepticism it was in response to his insistence on consensus as "the most fundamental contribution to improving Australia's long-term economic performance". Consensus, to be sure, is one of the bases of Japan's economic strength, but it has so far established only a precarious foothold in Australia. We cannot afford to wait too long to build consensus on the need to accept the changes Mr Hawke has indicated. There are other nations in the region which have moved much faster to meet the challenge. If we delay, or continue to cling to past patterns of thought and behavior, we shall be left behind — and very much poorer.

#### Implementing Changes Requires Skill

Brisbane THE COURIER MAIL in English 3 Feb 84 p 6

[Editorial: "Redefining Relationships"]

[Text]

**A**CCORDING to the Japanese, the Prime Minister, Mr Hawke, is a hero.

For a man elected leader of the Opposition parliamentary Labor Party just one year ago, it is a remarkable accolade.

Then, Mr Hawke is a remarkable politician. His personal popularity is at an unprecedented level — and it is said, only partly in jest, that the only people with whom he is unpopular are members of the Labor Party Left wing. His achievements, at home and abroad, have been considerable; he looks like being Prime Minister for some time.

All this, of course, is heady stuff for any Australian leader making an official visit to such important trading countries as Japan and South Korea.

Mr Hawke's deft domestic handling of the potentially dangerous uranium issue endeared him to the practical, pragmatic Japanese. More importantly, however, the Australian Prime Minister has begun the difficult and demanding task of redefining our trading relationships.

Such redefinition was long overdue. Mr Hawke began by spelling out, in no little detail, how that process must begin in Australia.

It is clear the boom days are over for both countries; that however hard the bargains were driven in the past, they will be harder to strike in the future; that both partners must accept the structural changes taking place in the other's economy.

Korea poses similar problems, but not quite to the same extent, or of the same urgency. Mr Hawke's discussions in Seoul will have important implications for trade

with this growing Asian giant, a country with the potential to become as important a trading partner as Japan.

## **The easy part**

Recognition of the changed relationships with Japan is the easy part, although previous Prime Ministers might not have seen as much.

Implementing the necessary changes will require a great deal of sacrifice and goodwill on the part of those interests in Australia, from coal and iron ore exporters to trading houses, which have benefited from the easy run thus far.

Here Mr Hawke's skill as a domestic politician, rather than as an international statesman, will be tested to the utmost. Domestic politics was not meant to be easy.

As ever, the inimitable Hawke touch for the natural gesture was present throughout the Japanese negotiations. For the ordinary Japanese people, sentimental almost to a fault, he could not have been more generous than to promise koalas for their zoos. Truly, a close encounter of the furred kind.

LOCAL DELEGATION RETURNS FROM PRC, HOPES FOR CONTRACTS

Perth THE WEST AUSTRALIAN in English 30 Jan 84 pp 1, 2

[Article by Paul McGeough]

[Text] The Deputy Premier, Mr Bryce, arrived home yesterday confident that WA was about to sign profitable iron-ore and agriculture contracts with China.

At an afternoon press conference he presented reporters with a list of five areas in which he believed WA stood to gain from China's drive for modernisation and its new open-door policy on world trade and investment.

They were:

--Iron ore: Negotiations would begin in March with Pilbara producers for long-term supply contracts for the \$5000 million Baoshan iron and steel complex near Shanghai. The first shipments were expected early next year. Mr Bryce said China wanted to be a joint developer--possibly with the new WA Development Corporation--of a new WA iron ore mine.

--Agriculture: A team from the WA Overseas Projects Authority would go to Qinghai Province in April to do a feasibility study on a farm project that would involve more than 350 farmers on about 460 sq km. Contracts worth tens of millions of dollars would probably go the way of WA industry if the authority got the job.

--Science and technology: A delegation from the Chinese Science and Technology Commission would visit WA in March-April to discuss joint research in areas ranging from wind and solar energy to the use of non-ferrous metals.

--The Chinese were selecting one of their enterprises that might be able to work with an unnamed WA company seeking to invest about \$2m in a joint steel manufacturing business.

--A short-list of three Chinese States had been prepared for consideration for a possible sister-State relationship with WA. This would be an important way of clearing obstacles in the way of WA companies wishing to open commercial doors in China.

Mr Bryce said that the Chinese push to catch up with the rest of the world in the fields of agriculture, industry and commerce would have a great impact on the world economy and WA had to strive for its share of the new trade.

Last month China had approved 105 joint-development exercises worth \$200m and last year there had been a total of more than 200 such projects in all areas of the Chinese economy.

#### Headed

Mr Bryce headed the mission which included the Minister for Minerals and Energy, Mr Parker, the secretary to the Cabinet, Mr Terry Burke, iron-ore industry representatives and Government and WA Overseas Projects Authority officers.

Mr Bryce was the only political member of the delegation to meet the Press yesterday.

He said it was too early to talk about the quantity or value of ore that the Baoshan complex would want from WA.

He had no doubt that the Chinese were discussing supply contracts with Indian and Brazilian ore producers but the trade mission had been assured that the Chinese wanted WA as a major supplier because of its reliability and stability.

Baoshan was being constructed with Japanese advice and consultation. The Chinese wanted to start stockpiling ore early next year, months ahead of the firing of its first blast furnace, possibly in September.

China also wanted to double its steel output by the end of the century to 80 million tonnes a year.

#### Double

Mr Bryce said the Chinese had indicated that they had money and further credit for a big iron-ore development in WA, but the matter would have to be discussed with the Federal Government.

Equity had not been discussed, but the WA Government would prepare a detailed paper on the iron-ore industry and China's possible role.

This was an important development for WA because the Chinese had said they wanted it to be their first overseas joint-venture.

There was much unused capacity in the industry in WA but the analysis that would be provided to the Chinese would look at all possibilities, including proposals by Mr Lang Hancock and other industrialists for further developments.



The possible involvement of the WADC was based on the Chinese wish to deal with governments as well as companies.

Mr Bryce said that the Governor of Qinghai Province would be visiting Australia in July and it was hoped that the feasibility study for the farm project would be concluded by then.

The proposal was for a demonstration or model project that could be applied throughout Asia to help develop artificial and natural pastures, to rationalise farm uses and to help in the breeding of fine wool animals. The production of foodstuffs, shearing and irrigation would also be examined.

The Government hoped the deal would be signed by the end of the year.

Mr Bryce said the Government would be compiling a list of all science and technology programmes in WA that could interest the visiting Chinese delegation.

China had invited the WA firm wishing to invest \$2m to send representatives to China for further discussions.

The sister-State idea had been one of the specific tasks handled by Mr Burke and he would follow it through back in WA.

Companies had found that if such relations were established it was much easier for them to do business if it was understood that they had the full backing of their governments.

CSO: 4200/527



## AUSTRALIA

### INDUSTRY FEARS JAPANESE COAL IMPORTS CUTS

Sydney THE SYDNEY MORNING HERALD in English 3 Feb 84 p 15

[Article by Hamish McDonald]

[Text] Tokyo, Thursday--Japanese steel mills will cut volumes taken from Newcastle soft coking coal producers by 15 percent in the coming year, according to Tokyo industry reports.

The volume in the 1984 fiscal year starting April would be 15 percent below the 1983 contract level of 3.5 million tonnes for the seven companies.

This means a cut of 525,000 tonnes, worth about \$26 million in revenue, under the contracts which expire next month.

If carried out, the cut will place more strain on employment in NSW's hard-pressed underground coal mines.

Negotiators for the Newcastle group held two days of talks here this week and are understood to be returning to Australia for consultations before a new round of negotiations expected in 10 days time.

Industry reports said the Japanese have not yet made a price offer, but they want Australia to match cuts of between 5 and 7 per cent in US dollar terms conceded by other suppliers.

Under the present contract the soft coking coal sells for \$US45.25 a tonne for A grade and \$44.70 for B grade.

The mines are understood to have asked for a switch to Australian dollar pricing, with new prices of \$A55.40 and \$A54.80 respectively.

This would mean increases of about 10 per cent in US dollar terms for the mills, with the pro-

spect of more if the Australian dollar appreciates.

The volume question will be critical this year. The mills say their total coal requirements remain the same as last year — about 60 million tonnes — but an extra nine million tonnes are coming in from new mines in Queensland and Canada.

Reductions in US volumes account for three million tonnes of the surplus, the mills say. However the remaining six million tonnes will be covered by equivalent cut to existing suppliers.

A spokesman for Nippon Steel Corporation would not comment

on the reported 15 per cent cut and said how the cuts would be shared out depended on the competitiveness of pricing.

He said the new coal supplies would come "about fifty-fifty" from Queensland and Canada.

However the bias of the new contracts is about 55 per cent in favour of Canada. If this is reflected in uptake currently subject to attempted renegotiation; and if cuts are spread evenly among existing suppliers Australia will lose some market share to Canada.

● Iron ore negotiations between the steel mills and Australian companies are reported to have shown little progress so far this week.

EDITORIAL REVIEWS EMPLOYMENT SITUATION IN PELITA IV

Jakarta BUSINESS NEWS in English 25 Jan 84 pp 3, 4

[Editorial II: "The Situation of Employment"]

[Text]

Employment plays an important role in every development plan. The coming Pelita IV (fourth five-year development plan) does not overlook the problem of employment either. Increased employment in quantity and productivity directly uplifts the national product and improves the degree of equity.

In the concept of Pelita IV the work force in 1983 is put at 63.5 million and this total will reach 72.8 million people at the end of the five-year period. In this way a great deal of employment expansion is needed to absorb the additional 9.3 million workforce. The 63.5 million in 1983 also include jobless or under-employed people. It is still difficult to ascertain the exact level of unemployment and semi unemployment in Indonesia because more accurate definitions of these terms are now being formulated. It can be roughly estimated that at least 10-12 per cent of the workforce are jobless & semi unemployed. It means that at least 6.5 million people were unproductive or had a very low degree of productivity last year.

Sectorally the rates of productivity vary and their differences can be very sharp. The value added per worker in the industrial sector for instance, can be ten times greater than that of a farmer. Therefore the various targets of sectoral growth for Pelita IV do not guarantee an

expansion of employment in the industrial sector, for example. This is because the industrial sector is capital- and energy-intensive, and less capable of absorbing manpower. In the economic term, the elasticity of employment against a higher growth in industry is lower than that in the other sectors. This bears the implication that despite the average growth target of 9.5% in industry per annum, the additional increase of employment in the same sector is far lower. Even in the sector of upstream and large scale industries the general employment increase is possibly only 0.5 to 1.5% per annum, which obviously is far smaller than the growth of the workforce by 2.4-2.5% annually.

In Pelita IV the average economic growth is expected to reach 5% per annum. If the pattern of investments is directed towards manpower absorbing activities, job opportunities can be created for around 9 million people. Unfortunately no plan is yet apparent for the projection of the workforce in each sector towards achieving the absorption of the 9 million strong manpower. Sectoral growth targets and elasticity figures on sectoral employment will greatly affect the accuracy of projections made. So far such figures are still hard to obtain from the available data, especially the elasticity of sectoral and subsectoral employment.

Another method of determining the nature of growth is the use of ICOR (incremental capital output ratio). ICOR can by definition and simply be described as the figure that indicates the extent to which the level of investments affects the growth rate increase. By using a one-year time lag, Indonesia's ICOR from Pelita I to Pelita III has risen and from all the existing indications concerning Pelita IV it is most likely that the ICOR for Pelita IV will also be higher than Pelita III. This is natural by time series and Indonesia is no exception either.

However, the policy implication of an ever rising ICOR is that any investment increase will be more capital intensive and automatically further reduce the

rate of manpower absorption. It means that we will be facing the problem of the intention to absorb employment to the maximum with different realities of the past and present.

The question that arises later is how far the government has prepared an employment policy capable of opening new opportunities. This calls for great attention to appropriate technology, the non-formal industrial sector and the sector of nonformal and formal services as well as the prospect of non-agricultural activities in villages, covering also the boosting of the volume of rural tradewith urban areas accompanied by the improvement of the terms of trade for villages.

In other words, the ability to see new possibilities in the process of national economic growth is apparently required now. If we merely look at the big ICOR figure and the high rate of semi unemployment and unemployment, along with the world economic condition that makes us difficult to increase the demand for foreign exchange, we are apt to become pessimistic. But if we are willing & able to see the question of employment as a problem we share in common without discrimination, it is not impossible that we may escape the explosions of employment & unemployment.

But in order to overcome the employment issue in Pelita IV and the forthcoming Pelitas, a sense of solidarity among the various elements in society and the government is needed. This solidarity is because the pattern of consumerism and capital accumulation especially among the strong economic group has been felt by some circles as greatly diminishing or even disappearing.

It is the task of the government and community leaders to revive the social solidarity, something that used to belong to us in the early days of independence. Under the current condition of low growth and scarce foreign exchange and sources of energy, it is high time for the government to arouse this sense of solidarity.

Jakarta, January 21, 1984.

JAPANESE COMPANIES MAKE INVESTMENTS IN COUNTRY

Jakarta BUSINESS NEWS in English 25 Jan 84 pp 7, 8

[Text] A number of 224 Japanese companies had made investments in Indonesia up to the end of 1983, comprising 207 companies in the industrial sector under the approval of BKPM (Investment Coordinating Board), two companies in the oil sector under the approval of Pertamina/BKPM, and 15 companies in the financial sector under the approval of the Finance Department.

State-run companies have taken part in 29 investment projects which involve Japanese companies. The biggest investment Japan has made so far is in PT Inalum (aluminium smelting plant) with an investment amounting to US \$2 billion, and the second biggest investment is in the Arun and Badak LNG plants with an investment amounting to US \$1 billion each.

Japan's investments in each of other projects in Indonesia amount to less than US \$100 million, data collected by the Indonesian Business Data Centre show.

The number of Japanese companies investing capital in Indonesia once reached 281, but 20 of the PMA (foreign investment) companies that involve Japanese investors have changed its status to PMDN (domestic investment) companies, and 37 others have stopped their operation as the government has revoked the approval because they have failed to fulfil requirements.

The number of joint enterprises that involve Japanese companies is 224 at present and the number may increase to 239 when 15 joint venture companies with Japan already approved by BKPM have been operational.

72% UNDER SOGO SHOSHA: Most Japanese companies operating in Indonesia are active under the Sogo Shosha multinational company. Through its 10 groups, that Japan's multinational company has managed 161 Japanese companies in Indonesia, or 72 percent of the entire Japanese companies operating in this country. A number of 154 of the 161 companies operate in the industrial sector, five in the financial sector and two in the leasing field.

The 154 companies are as follows:

1.	C. Itoh	15	industrial companies		
	D K B Group	5	"	"	+ 1 financial agency (Daichi Bank)
2.	Marubeni	10	"	"	
	Fuyo Group	7	"	"	+ 1 financial agency (Fuji Bank)
3.	Mitsubishi	15	"	"	
	Mitsubishi Group	15	"	"	+ 1 financial agency + 1 leasing company
4.	Mitsui	22	"	"	
	Mitsui Group	2	"	"	+ 1 financial agency
5.	Nichimen	11	"	"	
6.	Nissho Iwai	10	"	"	
7.	Sanwa Group	8	"	"	+ 1 financial agency + 1 leasing company
8.	Sumitomo	11	"	"	
	Sumitomo Group	7	"	"	
9.	Toyo Menka	10	"	"	
	Tokai Group	2	"	"	
10.	Kanematsu Goshō	4	"	"	

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154 industrial companies + 5 financial agencies + 2 leasing companies.

ASTRA GROUP: The Astra Group can be possibly regarded as an Indonesian multinational company with a smaller scope. Sixteen Indonesian-Japan joint venture companies are at present operating in Indonesia under the Astra Group.

Groups which manage Indonesia-Japan joint enterprises and the number of joint venture companies operating under each group are as follows:

1.	Dharma manunggal Group . . . . .	= 8	companies
2.	Poleko, Propelat, S.A. Sagala SH, each 3 companies . . . . .	= 9	companies
3.	Rodamas (Tan Siong Kie). . . . .	= 4	"
4.	Astra Group . . . . .	= 16	"
5.	Sumual Group . . . . .	= 5	"
6.	Pakarti Yoga group . . . . .	= 5	"
7.	Harapan group. . . . .	= 3	"
8.	D B M Group (Darmadi) . . . . .	= 3	"
9.	William Budiman & Respati Jaya . . . . .	= 3	"
10.	M. Hassan, M. Joesoef, Syamsudin D. Mangawing Truba, Inkopad, Nugra Santa, Alfa Kurnia, Pakalong Log, GKBI each two companies . . . . .	= 18	"
11.	Krama Yudha Group + M. Gobel . . . . .	= 6	"
		<hr/> 80 companies	



**CHANGE OF STATUS:** Twenty Indonesia-Japan joint venture companies have changed their status from PMA (foreign investment) companies to PMDN (domestic investment companies). The 20 companies comprise: Agung Corp., Timber Raya, Arrow M. Gobel, Bina Traktor Kubota, Bintaro Raya, Cahaya Samudra International, Daisy Timber, Daya Itoh, aya Persaki, Indonesia Charcoal Industry, Indonesia Nihon Seima, Indonesia Nippon Polychemical, Koyo Mula, Moges Shipping, Nipress Industries, Pacific Garment, Sulawesi Agriculture Co., Taliabu Luna timber, Tjakung Leather Factory, Triemas Forestry Dev., and Zedo Indonesia.

**REVOCATION:** The government has revoked permits already given to 37 Indonesian-Japan joint enterprises to operate in Indonesia. The 37 companies comprise: Bromo Agung, Cempaka Dwi Buana, East Kalimantan Timber, Garuda Textile, Indonesian Bicycle Industry, Indonesia Jaya, Indonesia Japan Tobacco, Indonesia Nickel Dev Co., Jamina Nihon Kinhai, Jukudoang, Kalimantan Forest Dev. Corp., Kimia Farma Ice Jodium, Kyabe Steel Works, Liber Dalko, Mamoyama Irian Jaya Dev. Ltd., Meiji Insani, Meru Jaya, Mina Fajar Fishery, Mitsugoro, Nippair Indonesia, Overseas Mineral Resources, Pacific Banggai Peral Co. (South Pacific Pearl Co.), PAGO, Manggis Poultry Farming, Pirek Indonesia, Sarana Serat Kimia (chemical fibre producer), Sinalin, Sumatra Mokuzai, Sumisho Kapin, Surabaya Kyoei Steel Works, Swan Indonesia, Trans Asia Indonesia, Unidaf, UPI Indonesia Inoue Leather, Waskita Daito, Wirawaja and Ist International.

**INDONESIANISATION OF SHARES:** The Indonesianisation of shares have up to the present time occurred in 58 out of the 207 Indonesia-Japan joint enterprises operating in the industrial field, or about 28 percent.

In two of the 58 companies, the shares of the Indonesian side have reached over 75 percent. The ownership of shares is 90.9 percent for the Indonesian side and 9.1 percent for the Japanese side in Baninusa Indonesia, and 85 percent for the Indonesian side and 15 percent for the Japanese side in PT. Super Mi Indonesia.

The ownership of shares in the 207 companies is as listed below:

--The total of Indonesia's shares	0% - 25%	in 34 companies	(16.4%)
--The total of Indonesia's shares	25% - 50%	in 89 companies	(43%)
--The total of Indonesia's shares	50%	in 26 companies	(12.6%)
--The total of Indonesia's shares	50% - 75%	in 56 companies	(27%)
--The total of Indonesia's shares	75% - 100%	in 2 companies	(1%)
	<u>Total</u>	<u>207 companies</u>	<u>(100%)</u>

**NEW PROJECTS:** The Indonesian Government/BKPM has given permits to 15 applications for the setting up of 15 Indonesia-Japan joint venture companies in Indonesia. Five of the 15 companies will manufacture automotive engines and three companies will produce motorcycle engines.

EDITORIAL EXAMINES NEW ECONOMIC CALCULATIONS FOR OIL PRODUCTS

Jakarta BUSINESS NEWS in English 25 Jan 84 p 2

[Editorial: "New Economic Calculations for Oil Products"]

[Text]

The President in his speech on the state budget has lengthily dwelt upon the effect of the new contract with Caltex on the cost for the procurement of oil products as fuel (BBM). Since the supply of pro rata oil is slim, the crude oil available at a low price for the procurement of BBM greatly decreases, with around 4% left (of the original 25% of the production of Caltex and Stanvac). All this means that crude oil for BBM practically has to be purchased at the international price, i.e. around \$ 30 per barrel. So the selling prices of BBM to the public have to be raised to the point approximating or equalling the level of BBM prices abroad. Overseas prices of BBM frequently still include the sales tax.

It is true that BBM prices must increase. But one can raise the question : why have we taken all the trouble of concluding the new contract with Caltex if the population is sacrificed as a consequence ? Does the new contract bring bigger profits to Caltex ? The latter obviously is not true, because the present production sharing formula favours the government even more. Then who enjoys the gains from this new contract ? It is in the first place and especially the government, in the form of increased tax receipts from Caltex. Secondly it is Pertamina, because this state corporation gets some management fee in the production sharing contract; furthermore, Pertamina is the host and Caltex (only) serves as Pertamina's contractor.



The government's fiscal gains can be seen from figures in statistical tables accompanying the draft budget for 1984/85. In the table of exports we can read that the value of oil and gas exports in 1983/84 is put at US\$ 14,332 million, and the estimate for 1984/85 is only US\$ 13,825 million, thus meaning a decrease. On the other hand, revenues from oil and gas in the draft budget for 1984/85 are registered at Rp 10.36 trillion, up by 16.8% over the level in the budget for 1983/84. In fact it should be compared with the realisation during 1983/84, so as to take into account the effect of export and crude oil price decline as well as the devaluation of March 1983. We estimate the realisation of revenues at around Rp 9.6 trillion for fiscal 1983/84, so that the effective revenue increase is only about 8%, whereas the value of oil and gas exports for 1984/85 is expected to drop slightly compared with 1983/84. The contributing factor is evidently the change in the fiscal formula with Caltex.

As the cost for the procurement of BBM practically has to follow international prices, new problems are emerging.

First, the role and efficiency of Pertamina will be increasingly spotlighted. The government, at a meeting with some public circles, has disclosed that the total cost for the procurement, processing and distribution of BBM by Pertamina will reach Rp 6.9 trillion for the supply of 27 billion litres in 1984/85. It means that the average price is Rp 225 per litre, or equivalent to US\$ 40.6 per barrel (thus Indonesian fuel is no longer cheap). If we put the average cost for crude oil procurement at about \$ 30 per barrel, the cost for processing, transport and distribution is around 35%. Whether this figure indicates that Pertamina is already fairly economical and efficient, we still have no criteria.

It is also unwise to say that Pertamina is inefficient, because this is tantamount to criticizing the whole state apparatus. But the important thing is that from now on Pertamina has the obligation to keep productivity and production cost in such a way that the public and economy of this country will not suffer, despite the fact that Indonesia is a crude oil producer and exporter.

There is even another consideration. Just because it can already be estimated that the BBM logistic apparatus is less efficient than that abroad, the Indonesian economy needs compensations from high cost of energy.

Otherwise, the competitiveness of Indonesia's export commodities that are industrially processed will be hit and our export drive will get bogged down. Indonesian exports must be increasingly composed of processed goods or commodities, which more or less will require energy or power inputs, e.g. plywood, sawn timber, mineral products, cement, glass, textile, frozen shrimps, etc. All this will feel the effect of the high energy price increase.

It implies that prices of BBM important to industries and transportation such as automotive diesel oil, industrial diesel oil and residual oil should continue to receive subsidies, otherwise they will have to approximate Rp 225 per litre, and this is also to enable the sale of kerosene at a price below Rp 200 per litre.

This is all intended to safeguard the export drive. Another alternative is to provide special subsidies for these processed commodities, so that they can survive competition on the foreign market.

Jakarta, January 24, 1984

CSO: 4200/523

## BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

**ACHMADI HADISUMARTO DIES**—Maj Gen (Retired) Achmadi Hadisumarto, former minister of information, died on Monday morning [2 January] at the PERTAMINA [State Oil and Gas Company] hospital in Jakarta, after treatment for an illness for about 1 month. He was 57 and left no wife or children. The deceased, who was the fourth eldest of eight children, was born in Surakarta [Central Java]. During the war for independence he was a commander in the Lasykar Kere [Troop of Beggars] unit. Later, he was commander of the Surakarta Students' Army unit. He was city military commander of Surakarta in 1948 and became a member of the National Defense Council in 1957. President Soekarno appointed the deceased deputy minister of transmigration, cooperatives, and village community development, and he served in this position from 1959-62. He was minister of cooperatives from 1962-63, minister of transmigration, cooperatives, and village development from 1963-64, and minister of information in 1964. He held a number of service medals and ribbons, including the War of Independence Medals I and II, the Military Operation Service Ribbon I, the Guerrilla Star, and a medal from the pope. [Excerpts] [Surabaya SURABAYA POST in Indonesian 2 Jan 84 p 1] 5170

**COLONEL (NAVY) SOENTORO**—The post of chief of staff of Navy Region I, which since March 1983 has been held by the commander of Navy Region I, was transferred to Colonel (Navy) Soentoro, the new incumbent, at Wisma Arafuru Hall in Medan on 24 December 1983. Before becoming chief of staff of Navy Region I, Colonel Soentoro served in the Ministry of Defense and Security and was an adjutant to the president of Indonesia. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 2 Jan 84 p 6] 5170

**H HARUN BASRI MANAN**—The post of director general of labor relations development and labor standards supervision [Binawas] was transferred on Tuesday [10 January] from Oetoyo Oesman, master of laws, to H. Harun Basri Manan, his replacement. The new director general was previously director of working conditions and social guarantees in the Directorate General of Labor Relations Development in the Department of Manpower. [Excerpt] [Jakarta SINAR HARAPAN in Indonesian 10 Jan 84 p 1] 5170

LT GEN (RETIRED) A Y MOKOGINTA—Lt Gen (Retired) A Y Mokoginta on Wednesday [11 January] died at Army Central Hospital in Jakarta after falling ill and undergoing treatment at the hospital for 4 months. His remains will be buried at Kalibata Heroes Cemetery. The late General Mokoginta, who was born in Kotamobagu, North Sulawesi, on 28 April 1921, had served as commander of the Indonesian Military Police Corps, commander of the Army Staff and Command School, deputy chief of staff of the Army, commander of the Sumatran Interregional Command, and Indonesian ambassador to Egypt, Lebanon, Sudan, and Morocco. During his career as a member of the Indonesian Armed Forces he had attended the United States Army Command and General Staff School at Ft Leavenworth, Kansas. The deceased leaves Mrs Koriati Mangkuratmadja, his wife, and eight sons and two daughters, all of them married, and 18 grandchildren. Minister of Defense and Security Poniman, along with many other personalities, attended the wake. [Excerpts] [Jakarta KOMPAS in Indonesian 12 Jan 84 p 12] 5170

LT GEN (RETIRED) S SOEMANTRI—Lt Gen (Retired) S. Soemantri, on Tuesday [10 January] assumed his new duties as chief of the National Reserve Center, replacing Maj Gen R. H. A. Saleh, the former incumbent. The transfer of command ceremony took place at the National Reserve Center Hall on Jalan Menteng Raya in Jakarta. [Text] [Jakarta KOMPAS in Indonesian 11 Jan 84 p 12] 5170

MOHAMAD TABRANI—Mohamad Tabrani (79), a pioneer of the Indonesian press, died on Thursday [12 January] at Sumber Waras Hospital in Jakarta. He will be buried at Tanah Kusir Cemetery in Kebayoran Lama on Friday [13 January]. The deceased had been receiving medical treatment since 1 January. He leaves five children and several grandchildren. Tabrani was born in Pamekasan [Madura, East Java] on 10 October 1904. He attended an HIS school [Dutch elementary school for Indonesians during the colonial period], a MULO [Dutch junior high school], an AMS [Dutch middle school], and the OSVIA [Training School for Indonesian Civil Servants]. He was editor of the daily newspaper HINDIA BARU from 1925 to 1926, replacing H. A. Salim. He traveled to Europe as a reporter, visiting a number of countries and studying under Prof Dr Emil Dovolfat, the director of the German Institute for Journalistic Science in Berlin, from 1927 to 1930. On his return to Indonesia he published a weekly magazine, REVUE POLITIK, and established the Partai Rakyat Indonesia (PRI) [Indonesian People's Party] in Jakarta. From 1936 to 1941 he was editor of the daily newspaper, PEMANDANGAN. In 1938, together with Wilopo [later prime minister], he established the Journalistic and General Science Institute in Jakarta.

In addition to his activities in the press world Tabrani was chairman of the First Indonesian Youth Congress in Jakarta in 1926. In 1928 the Second Indonesian Youth Congress put together the "Youth Oath" (Tabrani was no longer its chairman.). From 1945 to 1951 he was a senior official of the Ministries of Information and of Home Affairs, as well as a member of the KNIP [Central Indonesian Committee, the forerunner of the Indonesian Parliament]. After that he became involved in the business world in the export, import, industrial, and banking sectors, where he was active until 1966. When he reached 76 years of age [1980], he retired from all formal activity, due to his advanced age. However, before he died, he gave a number of lectures and wrote for the mass media. His home in Taman Kedoya Baru was called "Griya Loka Tapa." [Text] [Jakarta KOMPAS in Indonesian 13 Jan 84 pp 1, 12] 5170

COLONEL (NAVY) SURADI S.--The post of personal staff coordinator to the commander of Navy Region IV [Central Java to East Timor] was transferred on Wednesday, 11 January, from Lt Col (Navy) Sukro Sumanto, master of laws, to Col (Navy) Suradi S. Lt Col Sukro Sumanto, who had been personal staff coordinator to the commander of Navy Region IV for the past 2 years, will assume his new duties at Perum Astek [Navy-controlled dock firm]. Col Suradi S. will also assume his new duties as chief of the General Affairs Service [DISKU] of Navy Region IV, in addition to his functions as personal staff coordinator to the commander of Navy Region IV. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 18 Jan 84 p 6] 5170

LT COL (NAVY) AMAN SASTRADIWIRYA--Lt Col (Navy) Anas Sjafei, who has been commander of the Indonesian Navy ship "Ratulangi," on Saturday [14 January] turned over command of his ship to Lt Col (Navy) Aman Sastradiwirya at a ceremony in the movie theater on the "Ratulangi," which was anchored in the bay at Tanjung Priok, in Jakarta. Lt Col Anas Sjafei will subsequently assume his new duties as commander of the Indonesian Navy Amphibious Ships Unit. Lt Col Aman Sastradiwirya was previously chief of the Navy Personnel Administrative Service.

The "Ratulangi" is a submarine tender and has Navy submarines subordinate to it. It has served as a sea control unit in the Indonesian Navy and has visited several areas in Indonesian territorial waters in carrying out its sea security duties, as well as its functions in meeting the needs of submarines, particularly those on patrol. [Excerpts] [Jakarta HARIAN UMUM AB in Indonesian 19 Jan 84 p 6] 5170

CSO: 4213/153

BRIEFS

CENGKARENG AIRPORT OPENS IN 1985--The handling of the Cengkareng international airport project, west of here, is expected to start full operation on April 1, 1985, and the trial operation is expected to start on October 1 this year, Minister of Communications Rusmin Nurjadin told the press after he met President Soeharto at Bina Graha here Tuesday. Rusmin Nurjadin, on the occasion, reported to the Head of Government the progress made in the handling of the Bengkulu seaport project in the capital of the Bengkulu province. The building of a pier for ocean-going vessels and another pier for nusantara liners at the port has been completed. The two piers will be able to serve vessels of 7,000 Dwt. [Text] [Jakarta BUSINESS NEWS in English 25 Jan 84 p 4]

CS0: 4200/523



SIHANOUK SAYS SRV 'GREATEST THREAT' TO REGION

BK200724 Hong Kong AFP in English 0637 GMT 20 Feb 84

[By K.S.C. Pillai]

[Text] Singapore, 20 Feb (AFP)—Cambodian leader Prince Norodom Sihanouk warned today that if resistance forces in his country were wiped out by Vietnam, then Hanoi would be an "unavoidable threat" to the Association of South-east Asian Nations (ASEAN).

The president of the tripartite Coalition Government of Democratic Kampuchea (Cambodia) also stressed at a news conference the important role the anti-Vietnamese resistance forces played as a "barrier" between ASEAN and a "very aggressive, very expansionist, very ungrateful and very immoral Vietnam."

The prince was commenting on a reported statement by Indonesian armed forces Chief Benni Murdani in Hanoi last week that Indonesia did not see Vietnam as a threat to ASEAN which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Addressing newsmen before leaving for Indonesia after a week-long visit to Singapore, the prince prefaced his comments by saying he was not aware of the statement attributed to Gen Murdani, but then lashed out at Vietnam.

Prince Sihanouk said that a "liberated Cambodia," which aspires to be the seventh member of ASEAN, considered it "its duty and honour to be a barrier between ASEAN countries and Vietnam and weaken Vietnam by bleeding them militarily and economically.

"The day the Cambodian resistance is wiped out, there will be no barrier and Vietnam will be a threat to Thailand, Malaysia and Singapore," he warned.

Prince Sihanouk was effusive about the increasing cooperation between the three former antagonistic groups making up the coalition formed in June 1982--his own Sihanoukists, Prime Minister Son Sann's Khmer People's National Liberation Front [KPNLF] and the pro-China Khmer Rouge. He said his forces had conducted one joint operation with the Khmer Rouge and one with Mr Son Sann's forces which he described as "immensely successful." He foresaw more such operations in the future.

The prince claimed that the resistance forces were now so strongly placed that they were mounting attacks against Vietnamese forces even in cities, destroying economic and military targets. Operations had been conducted in Siem Reap, Kompong Thom, Battambang and Pursat, he said. These attacks, he said, had inflicted heavy losses on Vietnam and were the "main reason" for Vietnam not launching its usual dry season offensive although diplomatic pressure from Australia and Belgium also contributed to Hanoi's decision.

Prince Sihanouk put the strength of his own faction at 5,000 men which he expected to increase to 6,000 later this year, while the KPNLF had 12,000 men and the Khmer Rouge some "40,000 well-trained, well-equipped guerrillas."

Prince Sihanouk said he was "extremely satisfied" with his talks with Singapore leaders including President Devan Nair, Prime Minister Lee Kuan Yew, First Deputy Prime Minister Goh Keng Swee and Foreign Minister Suppiah Dhanabalan.

During his talks here, as well as in Malaysia and Thailand which he visited earlier, Prince Sihanouk said he had "received very precise support" but declined to reveal details saying his hosts had asked him not to discuss topics in public.

China, which was the sole supplier of arms to the Khmer Rouge had also supplied some arms to the two nationalist factions. "They have promised more aid if we can demonstrate our capability to bleed the Vietnamese," he added.

"Concrete" assistance from ASEAN, aid from China and other friendly sources, the prince said he hoped to build up the strength of the nationalist factions to equal or even surpass the fighting strength of the Khmer Rouge. [Sentence as received]

"We will thus be strong enough vis-a-vis the Khmer Rouge not to let them wipe out the nationalist forces in case they want to do so," he said. The prince, however added that the Khmer Rouge leaders had assured him they would always abide by the spirit and letter of the Kuala Lumpur agreement forming the coalition. "Whether they are sincere or not, I don't know," he added.

CSO: 4200/532



## SIHANOUK INTERVIEWED ON COALITION, STRUGGLE

AU210854 Rome ANSA in English 0840 GMT 21 Feb 84

[Text] (ANSA) Singapore, 21 February--In an exclusive interview with ANSA Prince Norodom Sihanouk, leader of the coalition of three Kampuchean resistance groups, said that for the first time since Vietnam occupied Kampuchea in 1979 Hanoi's forces have failed to launch their annual dry season offensive against resistance fighters and he cited as reasons the Kampuchean people's growing hostility to the country's "Vietnamization" and the higher degree of military preparation and coordination of the three partisan groups.

The three resistance formations under the "Democratic Kampuchea" coalition are the Khmer Rouge, who were in power between 1974 and 1978 under Pol Pot and were responsible for the physical elimination of millions of Kampucheans for alleged hostility to their hardline communist regime; The Khmer Popular National Liberation Front under Son Sann, prime minister of the coalition; and the followers of Sihanouk.

According to the prince, internal conflicts within the resistance are less profound than in the past. "We have formed a three-party military committee, chaired by Son Sann. It meets every month in the presence of the chiefs of staff of our three movements," Sihanouk said.

"Together we discuss the military situation, we exchange information and we also try to organize joint military operations."

Sihanouk, who is on an official visit here, said that "this is the main reason why the Vietnamese have not yet launched their offensive" and added that it will be increasingly difficult for the Hanoi Army since "we will always do our duty, even if the chances of victory are small."

Sihanouk downplayed a Chinese danger towards Kampuchea. "The Vietnamese are very dishonest because the Chinese threat does not exist. The Chinese never exported their armed forces into non-Chinese countries and even Hong Kong, Macao and Taiwan (where there are large Chinese populations, ed) are certainly not occupied by Beijing's army.

"There are no Chinese in Kampuchea and the real threat to all Southeast Asia lies with the Vietnamese who are backed by the Soviet Union.

"We want to force the Vietnamese to seriously negotiate a just solution of the crisis, but they do not want to discuss, not even with me and I have offered to talk."

According to the former chief of state of independent Kampuchea, the efforts undertaken by the Governments of Belgium, France and Australia and the Association of South East Asian Nations (ASEAN) to open talks with Vietnam on Kampuchea are useful.

"I certainly cannot criticize these efforts, even if they differ and stem from different positions, they are for the good."

With this participation in the resistance coalition 2 years ago, Sihanouk has helped increase the international isolation of the pro-Vietnamese Phnom Penh Government headed by Heng Samrin which is recognized only by socialist bloc countries and by India.

CSO: 4200/532

## SWEDEN TO HELP ON HYDROPOWER PROJECTS

Bangkok THE NATION REVIEW in English 24 Jan 84 p 3

[Text]

**CHIANG MAI** - Sweden has signed four agreements with Laos, Vietnam and the Interim Mekong Committee for 8 million Swedish kroner (22 million baht) for water resource development and hydropower project in the two countries.

The agreements were signed during the 19th session of the Interim Mekong Committee held on Jan 16-22 in this northern province.

The first agreement, totalling 4 million kroner (11 million baht) concerns the feasibility and detailed design studies for two small water resources projects on the Nam Ngieou and Nam Pa rivers in Laos. The Lao Government will also provide inputs, in kind, totalling 900,000 kip, while the Mekong Secretariat will act as executing agency for the project.

The studies will include field investigations to collect and compile sufficient data for undertaking the feasibility and detailed design studies, together with a comparative survey of alternative methods of supplying power to Luang Prabang.

The Nam Ngieou project will be located on the Nam Ngieou, a tributary of the Nam Nhiep, about 2 kms southwest of Xieng Khouang. This will be a run-of-the-river type project with an installed capacity of 2,700 KW, to generate and supply electric power for supply to Xieng Khouang and Phonsavan towns. The Nam Pa project, located 15 kms from Luang Prabang, is proposed as being suitable for a low-head (20-m high) dam for multipurpose development.

The second agreement, totalling 1 mil-

lion kroner (2.8 million baht), concerns the review of the feasibility study and the appraisal of the Yali Falls hydropower project in the Central Highlands of Vietnam, while Vietnam will provide inputs, totalling 200,000 dong.

The Yali Falls hydropower project is the first to be proposed for the Se San basin. The Yali Falls are located on the upper Se San River, some 23 kms southwest of the Central Highlands town of Kontum. Six promising projects have been identified on this river with a total estimated hydropower potential of 1,630 MW.

Of the two remaining agreements, covering the period from January 1, 1984 to December 31, 1986, one concerns the procedural and administrative framework for the support to be provided by the Swedish

Government for the financing of projects forming part of the Committee's work programme. Such projects will be agreed on during separate discussions between the Swedish Government and the committee.

The last agreement, for a total of 3 million kroner (8.4 million baht) is for the provision of two experts - a senior economist and a hydropower engineer - to the Secretariat for two years.

During the 19th session of the Interim Mekong Committee, the European Economic Community also signed an agreement to provide about US\$ 700,000 (16 million baht) over the next two years for the watershed management projects in Laos and other activities of the committee.

## BRIEFS

TEACHERS COURSE OPENING--Vientiane, 8 Feb (OANA-KPL)--The Lao Ministry of Education, on 6 February, opened here a Marxist-Leninist course for teachers and educational cadres. So far three similar courses were already given to the more than 200 cadres of the said ministry. The course includes Marxist philosophy, political economy, scientific socialism and several resolutions of the Lao People's Revolutionary Party CC. The opening ceremony was chaired by Phoumi Vongvichit, political bureau member of the LPRP CC and vice-chairman of the council of ministers and was attended by the deputy-minister of education, Uttama Chounlamani, and high ranking officials of the said ministry. [Text] [BK081012 Vientiane KPL in English 0911 GMT 8 Feb 84]

SRV EDUCATION DELEGATION DEPARTS--Vientiane, 15 Feb (OANA/KPL)--The Vietnamese educational delegation led by Nguyen Dinh Tu, member of the party CC, and minister of higher and vocational education of Vietnam, left here on 13 February after 5 days of official and friendship visit to Laos. Bidding farewell to the Vietnamese delegation at Wattai Airport were Uttama Chounlamani and Phiang Sisoulat, vice-ministers of education, and other officials. Bui Van Thanh, charge d'affaires of the Vietnamese Embassy to Laos, was also on hand. [Text] [BK151015 Vientiane KPL in English 0917 GMT 15 Feb 84]

CSO: 4200/531

EDITORIAL CAUTIONS ON RESEARCH ROLE WITH USSR

Wellington THE EVENING POST in English 11 Jan 84 p 4

[Editorial: "Soviet Research"]

[Text]

**BEWARE OF Moscow** when she comes offering gifts . . . .

The Soviets are keen to provide a research ship to study our 340km exclusive economic zone (and indeed have somewhat anxiously pressed the same offer on other Pacific nations) and have restated the offer of a joint venture in the latest issue of "Soviet Farming News."

That particular journal has a short memory: we tried such a venture last July when four New Zealand scientists went aboard the Soviet vessel Dolomit to carry out research work on the Challenger Plateau.

Out at sea, just as the work was to start, the scientists were ordered off after word came from Moscow. The Soviet Embassy said it was an "unfortunate misunderstanding" but at the time the scientists believed the Soviets had manipulated the situation in order that they could control the data.

In the global effort to control ocean resources, information is vital. If the Soviets played a central part in our research efforts, they would have a much stronger bargaining position than other nations when it comes to the allocation of our resources.

Aside from the Dolomit affair, the Soviets have also acted somewhat belligerently in the case of the ship Kallisto. Asked by the Solomonians not

to carry out research in its waters (a request endorsed by the South Pacific Forum and the Annex Council), the Kallisto persisted. And as a senior Pearl Harbour source told the "Post" last year, Soviet research vessels further the "political goals of the Soviet Union . . . ."

Against that is the fact that the Soviets are already one of our major trading partners (like any normal trade deal they take our products because they want them, not because they like us) and it would be to our commercial advantage to cement that relationship further. But just as there were dangers in becoming overly dependent on our links with Britain, so to does a closer relationship with Moscow threaten problems. At best the Soviet offer should be treated with great care, and New Zealand should demand as full as possible access to information gained.

Last July we argued that New Zealand should buy its own research ship. It would cost about \$15 million, the equivalent of three years' orange roughly fishing from the Challenger Plateau. Such a step would lessen our dependence on others, while recognizing that it is in our own strategic interests to gain as much first hand resource information as possible.

OPPOSITION LEADER: ACCESS TO EEC IS BIPARTISAN ISSUE

Auckland THE NEW ZEALAND HERALD in English 1 Feb 84 p 5

[Text]

**NZPA**

**London**

**The Leader of the Opposition, Mr Lange, has told the British Prime Minister, Mrs Thatcher, that New Zealand's commitment to seeking continued access to the EEC was bipartisan and cut across party politics.**

"I wanted to assure her that this is something which is seen by us to be utterly in the interests of New Zealand rather than any particular party or the Government," Mr Lange said after their meeting at 10 Downing St.

Mrs Thatcher, in return, assured the Labour Party leader of Britain's continued commitment to advance New Zealand's claim in EEC councils.

**Briefed**

Mr Lange said: "She expressed her determination that her country would seek to reform the common agricultural policy and protect the interests of New Zealand access in that market."

Mr Lange, who was meeting Mrs Thatcher for the first time, said he came away with the impression that she was thoroughly briefed about New Zealand's interests.

"I had the impression she was someone who was committed to the closest association with New Zealand's interests," he said.

The Prime Minister was clearly well aware of New Zealand's efforts at diversification and knew about alternative markets.

"But she also knew that none of those markets was such a consistent purchaser as the EEC and the UK," Mr Lange said.

**Well Aware**

He said he pointed out that New Zealand was buying equipment from Britain for the electrification of the North Island main trunk railway line.

"Mrs Thatcher is perfectly well aware that it is not one-way traffic."

Mr Lange later met the Foreign Secretary, Sir Geoffrey Howe, and also the Minister of Agriculture, Mr Jopling, who will visit New Zealand this month.

Earlier, he met New Zealand producer board representatives, including the new European director for the Meat Board, Mr Erik Trautmann.

Mr Lange had lunch with the board of directors of Lloyds Bank and later met members of the New Zealand Labour Party London branch.

### **'Absolute Tripe'**

And the Opposition leader has joined the row over the Queen's Christmas broadcast and accused some British politicians and journalists of Victorian arrogance.

"The stuff in British papers is absolute tripe," he said.

"The Queen is not the Queen of England. She is if you are in England, but she is the Queen of New Zealand as far as I am concerned.

"And as far as a lot of other countries are concerned she is the Queen who is Head of the Commonwealth."

Mr Lange said the subject came up during a meeting with the Commonwealth Secretary-General, Mr Ramphal.

### **Absolved**

Some Conservative Party MPs and political colum-

nists have suggested the Queen acted politically and unconstitutionally in her broadcast in which she said: "The greatest problem in the world today remains the gap between rich and poor countries, and we shall not begin to close this gap until we hear less about nationalism and more about interdependence."

Mr Enoch Powell, the Ulster Unionist MP and former Conservative cabinet minister, while absolving the Queen from personal responsibility, said her ministers had put in her mouth speeches which suggested she had the interests and affairs of other countries "as much or more at heart than those of her own (British) people."

Buckingham Palace has replied that the Christmas broadcast is the Queen's own work and is not written by her ministers.

Mr Lange said it was Victorian arrogance to suggest the Queen could speak only on the advice of her British ministers.



FOREIGN MINISTRY TURNS TOWARD MIDDLE EAST

Wellington THE EVENING POST in English 2 Feb 84 p 3

[Article by Peter Bale]

[Text]

Saudi Arabia and Bahrain are the sites for two New Zealand embassies in this country's strongest diplomatic push since the early 1970s.

In a major rationalisation, the Ministry of Foreign Affairs is reassessing traditional commitments in Europe in favour of the Middle East.

The Minister of Foreign affairs, Mr Cooper, announced today that New Zealand would open an embassy in the Saudi Arabian commercial capital of Jeddah. This embassy will initially be headed by a charge d'affaires. New Zealand's ambassador to Italy would remain accredited also as ambassador to Saudi Arabia till the diplomatic corps in that country transfers to the royal capital of Riyadh, probably next year. At that time New Zealand would appoint a resident ambassador to Saudi Arabia, Mr Cooper said.

Mr Cooper's announcement coincides with the presentation of credentials

by Saudi Arabia's first ambassador accredited to New Zealand. Mr Abdul Rahman Alahaly, resident in Canberra, presented his credentials to the Governor-General, Sir David Beattie, in Auckland today.

The "Post" understands the new Jeddah office may be open for business within a couple of months and officially opened by the minister when he reaches during a Middle Eastern tour planned for February, but postponed.

It is understood that when the Saudi Arabian move is made to Riyadh, the New Zealand consulate-general in Bahrain, which has recently been upgraded, will also become an embassy with a resident ambassador.

Foreign Affairs officials could today not recall a similar drive into one region since the third Labour Government's expansion into posts in Peking, Moscow, Vienna, and Tehran.

Peking, Moscow and Tehran have been a boon to this country with massive increases in trade since the posts were established.



But while the Labour Government was flush with funds for its expansionist foreign policy, this time the move into new posts will use money saved by "rationalisation" in Europe, in addition to last year's increase in the foreign relations vote from \$68,959,000 to \$81,075,000.

"The opening of the post marks the beginning of a new era in our relations with Saudi Arabia and the Middle East as a whole," said Mr Cooper.

"Saudi Arabia, one of the most prominent Middle East and Gulf countries and an important player on the international economic scene, has been high on our list of priorities for expansion of overseas relations for some time."

Saudi Arabia had been a major crude oil supplier for some years, Mr Cooper noted, but the trade was no longer one way.

Between 1977 and 1983

New Zealand's exports to Saudi Arabia grew from \$7 million to \$75 million, said Mr Cooper. In return New Zealand bought \$289 million worth of oil in 1982.

"There is plenty of scope for further increase in trade with Saudi Arabia, which imported \$10,000 million of agricultural commodities in 1982," said Mr Cooper.

New Zealand trade and agricultural officials are already working closely with Saudi Arabia and other Gulf states on standardising food hygiene requirements and boosting domestic farming.

"Once a New Zealand presence has been established in Saudi Arabia," Mr Cooper said, "the New Zealand consulate-general in Bahrain will be able to shift its focus to the Gulf States, all of which are promising markets for the sale of New Zealand primary products and manufactured goods."

## INFLATION RATE DROPS TO 15 YEAR LOW

Inflation 3.6 Percent

Wellington THE EVENING POST in English 11 Jan 84 p 1

[Text]

New Zealand's inflation rate has dropped to its lowest level in 15 years and now stands at 3.6 percent.

The inflation figures were contained in the Consumer Price Index for the quarter ended December, released today by the Department of Statistics.

They showed inflation at an annual rate of 3.6 percent — down from an annual rate of 5.4 percent three months previously.

### Movements

The CPI, regarded as the best guide in assessing inflation, measures price movements in a range of goods including food, housing, household expenses, apparel, and transport.

Inflation now stands at its lowest rate since September, 1968.

According to the Statistics Department, the index increased by only 0.9 percent between the September and December quarters of 1983, and the main influences on this increase came from beef meats, the buying or building of houses, women's summer frocks, used cars, and cigarettes.

Inflation — the number one problem for governments through the 1970s — peaked at 18.4 percent in March, 1980, but has declined slowly since then.

The mid-1982 imposition of the wage, price and rent freeze took some time to filter into the CPI, but single-figure inflation was achieved last year when the index fell by its biggest amount in years, from 12.6 percent to 8.3 percent between the March and June quarters.

'Temporary, Cynical, Costly'

Wellington THE EVENING POST in English 11 Jan 84 p 1

[Text]

The Labour Party consumer affairs spokesman, Mrs Ann Hercus, today labelled the CPI result: "Temporary, cynical and costly."

Inflation was not cured, just suppressed for as long as the freeze and post-freeze controls remained, she said.

Mrs Hercus said the temporary drop in inflation had been manipulated because this was election year. Prices had increased 191 percent since the Government took office, making for the longest and most inflationary period in the country's history.

Mrs Hercus said while the freeze suppressed inflation temporarily unemployment had increased 58 percent since it was introduced.

The 3.6 percent CPI had been gained by giant cuts in real income, concentrated on lower wage and salary earners. Since the last wage round in

1981, prices had risen 19.4 percent while wages had barely moved.

"The rate of inflation is excellent news to start the new year," the Minister of Trade and Industry, Mr Templeton, said today.

Many New Zealanders who had supported the Government's wage-price freeze would be encouraged to see their restraint rewarded, he said.

"With the right attitudes, we can make the price increases in 1984 as modest as those in 1983."

The current inflation rate was unlikely to endure, the Combined State Unions' acting chairman, Mr Colin Hicks, said today.

While the fall would no doubt be welcomed, the cost in achieving it had to be examined. It was clear working people had made an enormous sacrifice by lower living standards.

CSO: 4200/515

EDITORIALS DECRY U.S. DAIRY AID TO JAMAICA

'Flouting Code'

Auckland THE NEW ZEALAND HERALD in English 21 Jan 84 p 6

[Editorial: "US Flouts Trading Code"]

[Text]

A bipartisan approach by New Zealand to stop the United States from giving butter and cheese to Jamaica deserves to succeed. The Minister of Overseas Trade, in declaring that this country will not allow its markets to be sabotaged by overseas dairy mountains without a fight, is supported by the Leader of the Opposition, who is visiting the United States.

It is difficult to gainsay the justice of the New Zealand case. Jamaica was the first dairy market this country opened outside Europe; and the Dairy Board, in retaining it for 40 years, has put much effort and money into its development.

Political considerations in the Caribbean clearly motivate the Americans. The move is a

direct threat by a country with a heavily subsidised dairy industry against the New Zealand drive to diversify export markets. Without such diversification this country's economy can hardly be strengthened.

The international rules laid down by a special committee of the Food and Agriculture Organisation in such cases are clear. Unfortunately they are not always honoured. Under them, a country planning to make donations to another should create extra trade, not supplant a regular supplier.

At present the United States seems intent on flouting that code, although Mr Lange says he has an assurance the move will be reviewed.

## Actions Compared With USSR

Wellington THE EVENING POST in English 24 Jan 84 p 4

[Editorial: "American Actions Hurting Our Trade"]

[Text] The United States has a strange way with its loyal friends, such as New Zealand.

Much of what we take for granted--our lifestyle and democratic and political stability--is the result of our ability to trade on world markets. Much of this trade is in agricultural produce, and it is in this area that our close friends in Washington are acting in a way that can only be damaging to us.

We suffer, not in the cut and thrust of fair competition, but because due to domestic political concerns, the United States produces much more butter and cheese than it can either eat, or sell internationally. Thus they dump it. In 1981 New Zealand was forced to buy 100,000 tonnes of surplus American butter in order to protect our markets from dumping. Last year the United States gave 18,000 tonnes of butter and 10,000 tonnes of cheese to Egypt, ingeniously calling it military aid.

Now our 40-year-old \$3 million a year trade with Jamaica is likely to be destroyed because the United States believes that by dumping cheese and butter (and calling it "food aid") there they may pre-empt any attempt by the Soviets to increase their influence in the region.

The paradox is that even if such efforts work in Jamaica, they're at the cost of undermining a trade system that the Soviets would presumably like to see ruined anyway. And we already have to sell a significant part of our produce to the Soviet Union, leaving us with the situation where the Soviet Union does the decent thing and pays in hard cash while Washington subverts the international trading system upon which our economy is based.

Food aid in other than disaster situations tends to help the donor rather than the recipient. It offloads unwanted food in one country while creating dependency in another and killing off the incentive for farmers in the recipient country to produce food of their own. Washington defends the aid on the grounds that the produce will be sold and the revenue produced will go to Jamaica to foster development.

It is hard to reconcile that with President Reagan's oft-repeated support of the free market. Indeed three years ago at the Cancun summit in Mexico he refused to increase American financial aid or consider radical change to the world economic order. He said the Third World's solution was for the nations to trade their way out of difficulty. Well that is what we're doing but suffer because the advocates of free trade don't honour the rules.

It happens of course because successive American governments have been unable to unhook the extensive drip feeding of dairy farmers who are paid to produce irrespective of whether the product can be sold. President Reagan won't switch off the life-support now because elections are pending, and our only hope is that if he wins a second term he will live up to his free trade principles and stop payments.

In the case of Jamaica it seems that despite the appeals of Opposition leader Mr Lange and ambassador Mr Lance Adams-Schneider the Americans will carry on with their plan. Washington has issued a vague assurance that this isn't a precedent, but it seems we've heard that before.

We value our friendship with the United States, but we neither want its aid, nor become a victim of its aid to somebody else. What we want is to be able to trade freely and fairly, and not be forced out of the market place simply because weak American presidents like to make threatening noises to the Russians, but cannot tell their own farmers to grow up.

CSO: 4200/515

# RISING WOOL SALES BUOY HOPES

Auckland THE NEW ZEALAND HERALD in English 31 Jan 84 p 2

[Text]

## NZPA Wellington

A strong lift in wool prices this month has brought hope to the industry that wool sales may be ready to take off.

The Wool Board's market indicator yesterday hit the highest mark recorded this season, rising to 312c a kilogram for the 20,000 bales of Invercargill wool sold in Christchurch.

The new figure is substantially higher than the indicator level at the end of 1983 of 280c a kilogram, and a sizeable increase on the levels at the same time during the 1982-83 season, when the indicator hovered around 230-240c.

It came at the end of one of the heaviest selling months of the season, when 282,000 bales went through the auction rooms, starting in January at 288c and

steadily rising.

In the first half of the season, the indicator moved around 270-280c, disproving early predictions that it could climb through the 320c mark, but still giving a firm, if unspectacular improvement on the previous season's prices.

The deputy managing director of the Wool Board, Mr Noel Thomas, believes the signs are promising.

"The market has absorbed a record amount of wool," he said. "At this stage it is showing strength."

"I do not expect major movements because the best of the wool will soon have been sold, but there is every reason for optimism. Indications are that there will be an improvement rather than a decline."

Compared with the previous season, he said, prices had risen by 11 per cent, taking devaluation into ac-

count, by the end of December. The actual lift was 18 per cent.

Wool Board stocks have fallen well below the disastrous peak of 422,000 bales in July 1982.

By the end of December last year the level had fallen to 180,000 bales from 285,000 at the start of the season in July.

Government supplementation had also dropped. The supplementary minimum price payment for the first half of the season was \$29 million. The payout for the entire 1982-83 season was \$176 million.

Prices for the Invercargill wool sale yesterday included:

Ewe Fleeces—Strong crossbred 44/54; good, 34c to 35c. Average, 31c to 34c. Poor, 29c to 31c.  
 Shorn hoggets—Fine crossbred 48/50c; good, 34c to 36c. Average, 33c to 34c.  
 Lambs' wool—Extra fine crossbred 50/54c; Average to good, 32c to 34c.  
 Fine crossbred 48/50c; Average to good, 33c to 34c.



## FREE UNIONISM TAKES EFFECT PEACEFULLY

Auckland THE NEW ZEALAND HERALD in English 2 Feb 84 p 3

[Text]

### February 1 apparently passed like any other day on the job for New Zealand workers yesterday.

Neither employers nor unions reported any major problems as a result of the first day of voluntary unionism under the Industrial Law Reform Act.

The legislation giving workers freedom to choose whether to remain union members arrived quietly as predicted.

#### Briefings

In Auckland, the Employers' Association held two briefings for its members to discuss the legislation as it applies to employers and workers and to offer advice on its practical implications.

About 220 members attended the first briefing in New Lynn and about 850 later attended another briefing in downtown Auckland.

The president of the association, Mr William Jarvie, told the audiences the briefings were not to discuss the pros and cons of the legislation or to determine any policies.

#### Co-operation

"After nearly 50 years of compulsory unionism these changes can be regarded as major and certainly require considerable understanding on the part of all who are affected if we are to succeed in our objectives.

"This of necessity requires co-operation over a period of time.

"There is no need for any precipitate or urgent action and we strongly counsel 'steady as she goes'."

Speaking after the briefings, Mr Jarvie said the representatives of the employers present expressed no apprehension or fear over the introduction of the legislation.

They were interested in making the system work, he said.

The secretary of the Auckland Engineers' Union, Mr J. A. Butterworth, said his union had received two or three letters from members wishing to resign on religious grounds.

He said the union would try to convince such people to remain members. If that was unsuccessful, union officials would see the workers and their employers.

If the workers still wanted to leave, their colleagues would meet to decide what action, if any, to take, he said.

The Engineers' Union would support any workers who refused to work with or associate with nonunion labour, Mr Butterworth said.

### **Warning**

The national executive of the Federation of Labour issued a warning yesterday that unions would look for a voice in the employment process as a response to voluntary unionism.

The executive declared that unions would use various means to maintain 100 per cent membership among workers.

Although the legislation specifically outlaws the unqualified preference clause and forbids unions from negotiating any sort of job preference for their members, the FOL said unions would look for "priority and preference," presumably in the hiring policies of employers.

"Approaches taken to achieve these ends would include union shops (post-entry closed shops), action

and education," said the FOL president, Mr W. J. Knox.

He said unions would also seek to have some input into the employment process "to make it more difficult for employers to discriminate against union members."

Asked to clarify that, Mr Knox said: "In the context of the act, we feel it is necessary for us to have some voice in the question of union membership, not leave it all to employers.

"We will be seeking closed shops," he said. "Unions should approach nonunionists, and particularly anyone who wants to opt out of a union, and educate them to show them what benefits will accrue (from membership) and the protection they will receive."

CSO: 4200/515

LABOR LINKS UNEMPLOYMENT, 'THINK BIG' STRATEGY

Auckland THE NEW ZEALAND HERALD in English 3 Feb 84 p 3

[Text]

**NZPA** Wellington

Nearly 14,000 fulltime jobs had disappeared in two years since the National Government promised the "think big" growth strategy would create 410,000 jobs, a Labour MP said yesterday.

The Opposition spokesman on employment, Mr Peter Neilson, was commenting on the latest employment survey, released last night.

He said that at November 1981 there were 872,538 fulltime jobs. Now, according to the survey, there were only 858,681 fulltime jobs.

"There can have been fewer more fraudulent electoral claims made than the 410,000 jobs that dominated the National Party campaign in 1981," he said.

Labour, Mr Bolger, said there had been an increase of more than 16,000 jobs in the three months to last November.

The figures, released by the Secretary of Labour, Mr Gavin Jackson, showed that over the November 1983 quarter, total surveyed employment rose by 1.5 per cent or 16,402 jobs, compared with an increase of 0.5 per cent or 5984 jobs over the corresponding quarter in 1982.

However, total surveyed employment in all sectors dropped by 0.4 per cent or 4488 jobs over the year to November 1983 and stood at 1,115,249.

During the year, the number of fulltime employees dropped by 1.1 per cent or 9540 to 858,681. The number of part-time employees rose by 2.1 per cent of 3530 to 168,880.

## MULDOON ANNOUNCES MONEY TIGHTENING MEASURES

Wellington THE EVENING POST in English 27 Jan 84 p 1

[Text]

In a two-pronged decision, the Prime Minister and Minister of Finance, Sir Robert Muldoon, today announced dramatic measures aimed at tightening the money supply available to the private sector.

Trading banks were told they must leave no margin for error in allocating how much they lend to the private sector.

Traditionally banks had been permitted a \$100 million margin of error, which was reduced to \$50 million from January.

## Effect

However, Sir Robert today announced that the margin of error, known technically as the monthly trading bank reserve asset ratio, would be reduced to zero from February 1.

The practical effect is that trading banks must estimate precisely how much money they are able to lend and not go beyond it.

The second measure increases the proportion of funds available for lending that finance companies must keep for investment in the public sector, including Government stock and some local authority stock.

Sir Robert increased the ratio which must be kept for the public sector by five percentage points.

An increase of five percentage points, from 20 percent to 25 percent, was announced by Sir Robert late last year to take effect from February 1.

Today he announced a further increase of five points, taking the ratio to 30 percent to take effect from March 1.

Financial pundits say the practical impact of both measures is aimed at directing funds towards the Government stock tenders, the fifth of which was announced yesterday, and providing the Government with the means of financing its \$3.3 mil-

lion budget deficit from within New Zealand.

## Grown

Explaining the decision to eliminate the trading bank reserve asset ratio, Sir Robert said he did not intend to allow private sector credit expansion to put in jeopardy the gains of the freeze.

"While trading bank lending in January to date seems to have grown much more slowly than in the preceding three months, the combined lending rate in December and January will still be in breach of the guideline," he said.

"Also, I am alarmed at the way trading bank credit limits grew over the latter half of 1983," Sir Robert said.

They grew by 11 percent over that six month period.

Sir Robert added: "This ratio measure should indicate to the banks that I will not passively allow the high level of un-

utilised credit limits that they have created to be turned into actual lending."

Explaining the second measure, Sir Robert said the strong lending growth by finance companies over the latter part of last year indicated clearly they had ignored the credit guideline.

"And their intense competition for deposits at the present time implies they intend to continue to ignore that guideline," he said.

## Mistaken

Over 1983, finance company deposits had grown by an estimated 27 percent, well in excess of the overall growth rate of the money supply which was about 13 percent.

"If they think that I will permit that rate of deposit growth to be translated into private sector credit growth then they are very much mistaken," said Sir Robert.

TRADE SURPLUS INCREASE ANNOUNCED

Wellington THE EVENING POST in English 2 Feb 84 p 3

[Text]

New Zealand's trade surplus increased from \$263 million to \$1277 million over the past December year, the Reserve Bank said today.

Latest overseas exchange transactions figures from the bank said that export receipts for the year to December, 1983, were 11 percent higher than the previous year, while import payments were four percent lower.

The official capital inflow (including International Monetary Fund transactions) for the year ended December was \$315 million compared with \$983 million the previous year.

Official overseas reserves increased \$303 million during the year to \$1240 million at the end of December.

Net private capital inflow of \$914 million continued to fall from a peak inflow of \$1352 million recorded in the 12 months to July, 1983, said the bank.

However while the yearly surplus increased, a large drop in export receipts saw a trade deficit of \$47 million for the

last quarter of 1983 compared with a surplus of \$332 million in the three months to September.

In the quarter until the end of December export receipts fell 18 percent to \$1664 million while import payments rose 1 percent to \$1712 million.

The low December quarter for export receipts reflected in part a shift in seasonal influences but also slack demand in the lamb and mutton markets.

The attractiveness of domestic borrowing as interest rates in New Zealand declined also saw private capital inflow fall from \$366 million in the December, 1982 quarter, to \$150 million in the last quarter.

The current account, the balance of payments embracing the trade account and international transactions in invisible goods and services, was in a deficit of \$94 million at the end of December, continuing the gradual decline through the year.

The annual current account deficit for the year ended December, 1982, was \$1845 million.

CSO: 4200/516

## NEW ZEALAND

### BRIEFS

**SAUDI INVESTOR VISITS**--A Saudi Arabian prince with a major shareholding in a New Zealand investment bank and a Coromandel sheep farm, Prince Nawaf bin Abdul Aziz al Saud, arrived in New Zealand yesterday for a visit. Prince Nawaf is a large shareholder in the Saudi New Zealand Capital Corporation Ltd, known as Saudicorp. While in New Zealand he will have talks with the Prime Minister, Sir Robert Muldoon, the Minister of Overseas Trade, Mr Cooper, and the Minister of Trade and Industry, Mr Templeton. [Text] [Auckland THE NEW ZEALAND HERALD in English 23 Jan 84 p 1]

**NEW ENVOY TO JAPAN**--NZPA--Wellington--The New Zealand permanent representative to the United Nations, Mr Roger Peren, has been appointed the Ambassador to Japan. He will replace Mr Graham Ansell, who will return to Wellington as a deputy secretary in the Ministry of Foreign Affairs. Mr Peren is expected to take up his appointment in Tokyo in May. [Text] [Auckland THE NEW ZEALAND HERALD in English 3 Feb 84 p 3]

**PERU, PRC, SAUDI AMBASSADORS**--Auckland, Today (PA)--Three new ambassadors to New Zealand were presented to the Governor-General at a ceremony at Government House today. Each presented letters from their governments introducing them and confirming their status as national representatives. The new ambassadors are: Mr Carlos Gonzales Ugarte (Peru), Mr Zhang Longhai (China) and Mr Abdul Rahman Nasser Alohaly (Saudi Arabia). [Text] [Wellington THE EVENING POST in English 2 Feb 84 p 3]

CSO: 4200/516

## THAILAND

### BACKGROUND TO NO-CONFIDENCE VOTE, INSULT TO PREM

Bangkok LAK THAI in Thai 9 Feb 84 pp 9-15

[Article: "The Political Game Has Reached the Boiling Point, Chawalit-Phichit Meet With Chatchai"]

[Text] Lieutenant General Chawalit Yongchaiyut, the deputy chief of staff of the army who is in a position to effect political change, said that the "Thai National Party is a nice opposition party." The reason that Lieutenant General Chawalit made this statement is that he has gotten involved in reducing the level of activity of the Thai Nation Party to a level that is less intense than before. Lieutenant General Chawalit and Major General Phichit Kunlawanit, the deputy commanding general of the First Army Area and the commander of the 1st Infantry Division, talked with Major General Chatchai Chunhawan, the deputy leader of the Thai Nation Party, before he submitted a motion to have a vote of no-confidence in the prime minister and before the out-of-parliament debate at the Dusit Thani Hotel on 29 January on the same topic, that is, the lack of confidence in the prime minister.

The target of the Thai Nation Party in and outside parliament is Prem. They claim that he has not done the things that he promised he would. He has failed in everything.

After the election on 18 April 1983, hidden forces put much pressure on the Thai Nation Party to form a government. Because prior to that, it had played a role in trying to have the constitution revised concerning the matter of joint-zone, separate-zone elections. As it turned out, those trying to have the constitution revised lost. Then, parliament was dissolved, a new election was held and a new government was formed. The Thai Nation Party left the government and became an opposition party since the political apparatus wanted Prem to continue on as prime minister. Also, the situation on other fronts did not warrant switching to a new prime minister. There wasn't enough strength.

The great efforts made by the Thai Nation Party at the beginning of this year herald the start of political activities that will continue right up to the opening of the special session of parliament in May. And it is thought that by that time, certain conditions will be "ripe," and



the time will be right for the Thai Nation Party to take strong action. For example, there is still the matter of revising the constitution to allow regular government officials who are already senators to hold political positions, that is, to allow them to hold the position of prime minister or minister. When this matter comes up again, it is thought that things will be different, that is, unlike last year, the vote will be to revise the constitution. This is because there are many factors that support this. The Thai Nation Party feels that once Prem has been smashed, the face of democracy may have to be changed, with the path of democracy becoming more "green." But it will not be a true "green." Rather, it will be green because of the "uniforms" if the effort to revise the constitution to allow regular government officials who are now senators to serve as political officials is successful.

Concerning the fact that Lieutenant General Chawalit Yongchaiyut and Major General Phichit Kunlawanit went to discuss the political situation with Major General Chatchai Chunhawan and it was decided that the Thai Nation Party would not play "hardball" with General Athit Kamlangek, it is rumored that this took place because General Athit was worried that General Prem would encounter political problems and be put under great pressure by the Thai Nation Party, which is playing the game both in and outside parliament. Thus, before leaving on his trip to the United States, [General Athit] ordered them to discuss things with the Thai Nation Party and ask them to reduce the intensity of the political game. Because the situation does not support having the political activities of the Thai Nation Party make great strides forward, it was feared that there would be difficulties and interference.

Since the soldiers and the politicians were able to talk together like this without "crossing swords," it shows that the military has such great prestige that it can make a request of a major political party like the Thai Nation Party. This is very heartening. And we should keep an eye on this to see why the Thai Nation Party talked with the military officers in such an understanding way and why the matter has died down like this.

One politician who has taken a deep look at the political game told LAK THAI that the military and politics cannot be separated. Regardless of what party it is, in Thailand a party cannot play politics by itself since the military base is more secure politically. It's the soldiers who control the path of democracy. It's up to the military to decide whether to open up a one-way or a two-way street or to close the street to "repair" democracy. He also said that the Social Action Party plays politics with the involvement of the military, too. He pointed out that Khukrit supported Prem for this reason. Prem and Khukrit were on opposite sides, but they were not completely opposed to each other. There was a deep political link. And the Social Action Party has always played politics by relying on the military. It's just that it hasn't "advertised" this fact as much as some other parties. This may be because Mr Khukrit

wants to "keep quiet" about this matter since this is a large political party. In front, no soldiers are to be seen; but behind him is a "field of green."

This politician also said that at present, the Social Action Party is looking for a new way to preserve the military and political position of General Prem Tinsulanon. It is said that they have to make every effort to preserve his position. But it is thought that a new team will have to be formed to meet possible contingencies and to have alternatives if they cannot get along.

"Keep an eye on things in the coming period. The Social Action Party will build up a senior military officer in order to have a way forward and to link this to the political path of the Social Action Party. This officer has good relations with the Social Action Party. The leader of the party is fond of him, and this officer has great military prestige. If he plays politics in accord with the line of the Social Action Party or if he plays the political game as constructed or stipulated by the Social Action party in accord with the rules and in stages, this officer may have a political role to play after General Prem [leaves office]. But whether this can be done in time is another matter. At present, the Social Action Party is building things and making preparations. Party insiders know who this senior officer is," said LAK THAI's political source. He also said that the Thai Nation Party has many military supporters. If the Thai Nation Party scores a political victory and forms a government, the new prime minister will almost certainly be a soldier, and we know whom the Thai Nation Party would select.

But if the Social Action Party can no longer prop up the Prem government and politics continues on its course as a democracy in which the military controls the roads and stipulates one-way roads or closes roads, another officer may replace Prem as prime minister. Concerning this, each party has a different view and favors something different. But there is one point of agreement and that is that in playing democratic politics Thai-style, the political parties are just one factor in the power equation. This factor must be added to the other power factors in the country in order to have full power and to be able to play politics without problems.

"The fact is that the Social Action and Thai Nation parties have gone separate ways because the Thai Nation Party has looked to new powers instead of the old ones while the Social Action Party has retained the old elements. Since these parties have gone their separate ways, riding different horses,' there are differences. At present, the horse backed by the Thai Nation Party looks as if it still has energy left. But the Social Action Party's horse seems to be slowing down to the point where it will be necessary to change horses. We will have to watch and see when the Social Action Party chooses to change horses. It shouldn't be too long before we find out who the new power of the Social Action Party is," said the news source. And he added that the new power of the Social Action Party is a member of Class 5, Army Preparatory School.

"We never called Prem a Eunuch." A Summary of the Results of the Thai Nation Party's Out-Of-Parliament Debate Held In the Naphalai Room at the Dusit Thani Hotel from 1300 to 1800 Hours on 29 January 1984

"Some people have warned us not to hold a debate or make personal attacks on the prime minister. Some people have accused us of calling the prime minister a eunuch. But we have never said that Prem is a eunuch."

The Naphalai Room, which is the largest conference room in the Dusit Thani Hotel, looked smaller on the last Sunday in January when the Thai Nation Party held an out-of-parliament debate there. The debate resembled an actual debate held in parliament. Dr Yupha Udomsak served as the president (of parliament), Mr Sihanat Rutcha served as the vice president and Mr Sakun Siphrom served as the secretary. As president, Dr Yupha pointed to (invited) MPs (Thai Nation Party) at the debate to stand up and carry on the debate.

Concerning this debate by members of the Thai Nation Party, even though this was vigorously opposed by the Prem government and even though the Thai Nation Party received insults from those who are bored with what the Thai Nation Party says, the situation did an aboutface that day. Most of the Thai Nation Party MPs, from the party leader on down, were able to get more votes than they had thought possible by making strong attacks on the Prem government.

"Normally, the prime minister (Prem) does not attend sessions of parliament. When he does come, he avoids [the issues] and won't address the problems," said Pongphon Adireksan, an MP from Saraburi and the political heir of Major General Praman Adireksan, attacking General Prem without restraint. It was said that this out-of-parliament debate resembled an actual parliamentary debate because the prime minister was not there (in parliament).

Mr Pongphon also said that there will probably be a financial crisis during March and April. But the prime minister is making preparations to visit Europe and the United States and will be gone for 20 days. He will also take other ministers along and so there won't be anyone here to solve the pressing problems of the people and country. Mr Pongphon also carped at General Prem for visiting Europe and not visiting Mrs Margaret Thatcher (the prime minister of England) since she is a politician who uses politics to solve the problems and does not let the problems work themselves out by themselves. "He is not resolute. He changes his mind very often," said Mr Pongphon resolutely in conclusion.

Major General Praman Adireksan was the first person asked to speak. He discussed a secret matter that LAK THAI had learned about in advance. He said that before this debate, several officers, including Lieutenant General Chawalit Yongchaiyut and Major General Phichit Kunlawanit, came to see members of the Thai Nation Party and asked them not to allow the debate on the prime minister to become too intense. Smiling, Major General Praman said that this did not amount to anything and that the debate would be held as usual.

After that, Major General Praman traced his relations with General Prem. He said that he has had good relations with General Prem even since General Prem was a low-ranking officer. Relations between them are still good today. This no-confidence debate on the prime minister is not being conducted out of anger or hatred. Rather, it is being held for the good of the country and so that the Thai people will know whether they should continue to have confidence in this government.

The leader of the Thai Nation Party, who is the leader of the opposition parties in parliament but who could not open a debate in parliament, attacked Prime Minister Prem by saying that people have asked why it is necessary to hold a no-confidence debate on the prime minister since this prime minister has never stolen a single penny. He replied that he had never accused the prime minister of being corrupt. But there are signs that this prime minister has connived with others. For example, some of his subordinates did some "shady" things in the O.K.S. case involving 6 billion baht. He didn't take any action. On the social front, he has not been able to ensure the safety of the lives and property of the people. Unemployment has reached 10 million. He has just tried to paper over the problems by speaking on radio and television to fool the people. He has solved the problems by singing songs and soliciting contributions. No other leader in the world does such things. Thus, the various factions feel that Prem is unskilled as prime minister and that he is a bad example for democratic administration, that is, he is not an elected prime minister.

Dr Anuwat Wattanaphongsiri, the very eloquent deputy leader of the Thai Nation Party, was the second person to speak. He spoke about financial and monetary matters, saying that the government has printed huge amounts of money. He said that he has figures on this and is prepared to bring this up in parliament at any time. As for the banks, the government has allowed the banks to raise interest rates as they please. At present, the dollar is worth 25 baht on the black market. As for the farmers, Prime Minister Prem has, without shame, allowed the political parties in his government to profit. Dr Anuwat said that a fee of 100 baht per ton has been collected from the rice mills, with the amount collected totalling 100 million baht. Another group has collected a service fee of 10 baht per bag for a total of 100 million baht. He continued the attack by saying that while last year was called the year of the aged, this year can be called the year when "vultures ate the farmers' rice." Concerning those who live off the sweat of the farmers, he said that he would like to condemn them to being reborn as buffalos that the farmers can use to plow the fields and whip.

Another bold speaker from the Thai Nation Party, J.S.A. Songtham Panyadi, an MP from Chiang Rai Province, came forward carrying his lunch sack. He said that he was staying in Rachawat and that he had gone shopping that morning. Food is becoming more and more expensive but the government shows no interest in this. He then showed an egg that had cost 1.5 baht. He then took out an onion, some peppers, a head of lettuce and some cowpeas



and told the price of each of these items. He said that the cause of the high prices is that instead of attending to the troubles of the people, the various ministers were busy obtaining money for the party in preparation for the elections.

After that, a former air force warrant officer who has been an MP from Chiang Rai for many consecutive terms attacked General Sitthi Chirarot, a close associate of General Prem. He said that General Sitthi is supposed to be a learned, knowledgeable and thoughtful person. But recently, when a maniac stabbed a foreigner with a knife, before the police arrested this man, the minister of interior said in an interview that this criminal was working with a gang. But when the man was caught, it turned out that he was insane and had acted alone.

Mr Pancha Kesonthong, an MP from Phetchabun, attacked Prem by saying that he used parliament as if it were a fragile flower vase. The government spends 93 million baht a year on the salaries of the MPs and senators but lets them work only 12 times a year. He said that he doesn't want to criticize the government for not calling a special session of parliament since the government probably has hidden reasons for this. But he blames the four political parties that form the government and that did not allow the government to call a special session to hold a no-confidence debate. Even though these political parties once called for democracy, when it was possible to have a democracy, they acted like "Mae Pholi" calling "Father Prem."

Mr Prathuang Wichanpricha, an MP from Phitsanulok, said that Prime Minister Prem once said that he would not allow one party to control a ministry. But in the present government, each party controls a ministry. When a party controls a ministry, things are simple and calm. Formerly, few goods were exported but much money was earned. Now, large amounts are exported but little money is earned. What is the reason for this? Mr Prathuang said that the recent extension of the time for shipping cassavas earned one minister 50 million baht. "The prime minister knew about this, but he said nothing in order to protect his position."

Mr Prachuap Chaiyasan, an MP from Udonrathani, charged that MRW Khukrit Pramot was involved in various cases of corruption. He said that the prime minister was not at fault. The mistake was allowing others to get involved. The various failures, whether concerning rice, finance and banking or foreign trade, were the result of Khukrit's involvement. Mr Prachuap also said that the prime minister is not a learned man and because he is ignorant about things, things go wrong.

Mr Kon Thappharangsi, an MP from Nakhon Ratchasima, voiced criticisms concerning three of the country's important natural resources: natural gas, tin and potash. He said that the government has never really supported these three projects. The government has even played games with developing gas for export. The government hopes for results only in the agricultural sector. This government has little ability. The greatest expense of

the farmers is fertilizer. Potash is an important element in making fertilizer. It's strange that Thailand has the third largest amount of potash in the world but has to purchase much fertilizer from abroad each year. This is very disheartening.

Mr Chumphon Silapa-acha, an MP from Suphanburi who was the last to criticize General Prem, said that the prime minister is a good person. But his goodness has caused problems for the people. Since 14 October, has his honesty helped free the people from poverty? During the past 18 months, the country's economy has been the worst that it has ever been. The Ministry of Finance has gotten into arguments with the national bank. These days, who can borrow money from the banks? Whenever there is a "shady" financial transaction, the prime minister just ignores things. As for the paddy problem, this is destroying the morale of the people because instead of helping the farmers, the government is supporting the export of paddy, which goes against the interests of the people.

Concerning this out-of-parliament debate held by the Thai Nation Party, besides the fact that people showed much interest in this, representatives from other political parties, from the government and from military intelligence units and police officials from the Special Branch Division went and listened, too. This resulted in their being an overflow crowd. Besides holding the debate, the Thai Nation Party spent more than 100,000 baht to print a book that was distributed to members of the audience.

"The next step by the Thai Nation Party is to publish a weekly magazine analyzing politics. This will be done in the near future," said a person close to the Thai Nation Party to LAK THAI.

#### The Thai Nation Party, Who Gave the Green Light?

The activities of the Thai Nation Party, particularly the out-of-parliament no-confidence debate on the prime minister, are viewed by many people as a "political joke." In particular, when the list of MPs was found to be incomplete, people laughed even more.

Concerning these charges, it's not outsiders who have made these charges. It was the Thai Nation Party, or the "eel," that made these charges.

#### Prem Lacks Skill

The Thai Nation Party held the no-confidence debate on General Prem Tinsulanon, the prime minister, on 29 January at the Naphalai Room of the Dusit Thani Hotel. This was an out-of-parliament debate since it was held while parliament was not in session and it was not held at parliament. The government's response was that this action taken by the Thai Nation Party was not in line with the constitution and, therefore, the prime minister and his cabinet did not have to make any statements. They also warned the "eel" party to be careful and not make any slanderous

remarks during the debate since the law does not give them the right to do this.

However, the no-confidence debate held by the Thai Nation Party resembled an actual meeting of parliament in almost every detail, from assigning a person to serve as the speaker of the House and having someone play the part of General Prem Tinsulanon to stipulating speakers, of whom there were 11 people who were prepared to speak.

The motion by the "eel" party stated that from having followed the activities of the prime minister, it is evident that he is incapable of governing the country. He administers things in a very loose way and is indecisive in solving the country's problems. He is not moving in any definite direction in developing the country. In short, government officials, merchants and the people all say that the "prime minister lacks skill" and is leading the country toward a disaster. Specifically:

Failures in solving the economic problems: [The Prem government] has not been able to administer the country's financial and monetary affairs. It has allowed the financial institutions to swindle the people and to raise interest rates on deposits. At the same time, these institutions have asked to raise interest rates on loans to the maximum rate allowed. [The Prem government] has not been able to reduce the balance of trade and balance of payments deficits. It has not been able to gain the confidence of the merchants and people. Concerning the value of the baht, there have been rumors both here and abroad that Thailand will soon have to devalue the baht again. [The government] has not been able to do things in accord with the paddy price intervention policy that was announced. It has not been able to solve the country's economic problems in general.

Failures in solving the political problems: [The Prem government] has not been able to promote a democratic form of administration. The prime minister does not have a political base in accord with the democratic system and has to remain above the disputes. He has not been able to solve the political problems that stem from bureaucratic administration. He has allowed disputes to arise, even among the members of the parties that support the government. He has not been able to solve the income problem for the majority of the people in the country and has instead allowed political problems such as the paddy, cassava and sugarcane price problems to arise.

Failures in solving the social problems: [The Prem government] has not been able to ensure the safety of the lives and property of the people. Bandits are active everywhere in the country. [The government] has not been able to halt the degeneration in Thai society or solve the poverty problem. It has allowed unemployment to rise every year. It has not been able to help the people who have been threatened by the floods. At present, some people in Bangkok Metropolitan are still living with fetid water all around them. [The government] has not been able to solve the traffic and mass transportation problems. And it has not



taken any action to develop youths and women as stipulated in the National Economic and Social Development Plan.

#### Major General Phichit Praises the "Eel"

Besides holding an out-of-parliament no-confidence debate on General Prem, the Thai Nation Party also made arrangements to hold a debate in parliament. Because if it can open a no-confidence debate in parliament, the political results will be greater. Thus, on 27 January, Major General Praman Adireksan, Mr Anuwat Wattanaphongsiri, the deputy party leader, Mr Banhan Silapa-acha, the secretary-general of the party, and a number of other party members submitted a motion to Mr Uthai Phimchaichon, the speaker of the House of Representatives. According to Article 137 of the 1978 Constitution, the signatures of 65 MPs are required to open a debate.

However, after Mr Uthai received the motion, parliamentary officials informed Mr Anuwat that only 40 members of the Thai Nation Party had signed the motion. This came as a great surprise to Mr Anuwat because prior to that, both Major General Praman and Mr Anuwat had confirmed that the list submitted to Mr Uthai was six pages long and contained the signatures of 79 MPs belonging to the Thai Nation Party.

Thus, the question is: where did the other 39 names go, and who "played the joke?" However, a news report stated that concerning holding this no-confidence debate, there are problems within the Thai Nation Party, too. That is, the faction of Colonel Phon Roengpraoetwit, who has about 10 MPs in his faction, does not support holding a debate. Thus, it was probably this faction that was responsible for the failure of the Thai Nation Party's motion that day. "We have spoken together, and there are no problems," said Major General Praman.

However, it has been observed that in its motion to hold a no-confidence debate on General Prem, the Thai Nation Party did not mention the security problem at all. It focused mainly on the economic problems that concern the people directly. This may be because national security is not a problem. In particular, concerning suppressing the communist terrorists by holding to Order 66/1980, it cannot be denied that General Prem has scored achievements.

Also, the "Eel" party is not bold enough to confront the "hidden powers." It must try to form a united front. Because if it goes up against the power group and the government of General Prem and something happens, who can guarantee that Major General Praman Adireksan will not come away brokenhearted?

"Many people say that the Thai Nation Party is not good at opposing [the government] or that it wants to form a government. I think that this shows that they don't understand the intentions of the opposition party," said Lieutenant General Chawalit Yongchaiyut, the deputy chief

of staff of the army. He also praised the Thai Nation Party by saying that he had never seen an opposition party as nice as the Thai Nation Party. The important thing is what the opposition parties are thinking. The Thai Nation Party has formed a shadow government and has shadow ministers who follow the activities of the various ministries. Do they have any recommendations to make to the government?

#### Athit Respects Prem

Lieutenant General Chawalit also said that an interesting point about General Prem is his honesty. This is his strong point. "The prime minister has received much criticism. Some say that he is not strong and that he is too indecisive to solve the country's problems. Many people talk about past leaders who were very resolute. I have watched this problem since the very beginning. People often think that compromising is a sign of weakness. But I have not seen him fail to act if it would benefit the country."

The deputy chief of staff of the army said that General Prem is supported by 70-80 percent of the people. The political parties respect him. And the military has great respect for him. Besides this, what is very important is that General Athit Kamlangek, the supreme commander, has great respect for General Prem. "Don't try to cause a split. We have a good leader who is self-sacrificing." Lieutenant General Chawalit also said that [some] political parties do not realize that there are some conflicts that are outside the control of General Prem. As for the financial problems, these are basic problems, and many people are uncertain about the value of the baht.

"From what I know, there is no chance of the baht being devalued in the present circumstances," said Lieutenant General Chawalit.

#### All By Itself

Many people may have wondered if this action taken by the Thai Nation Party received the "green light" from a hidden power group or whether the Thai Nation Party did this on its own and what its objectives were in doing this. However, a news source in military circles told LAK THAI that the Thai Nation Party had probably assessed the situation and felt that the economic situation was deteriorating and that the situation was becoming critical. Besides this, there are also social problems. Some laborers are trying to cause trouble for the government. The Thai Nation Party analyzed the situation and felt that if it made an issue of these matters, it might be able to bring about a change.

"But I think that they assessed the situation incorrectly. There will definitely be no change unless the military supports it," said the news source. And he said that in accord with the structure of Order 66/1980, if the soldiers had to choose between General Prem and Major General Praman, they would certainly choose General Prem. From the standpoint

of popularity and respect among soldiers, Major General Praman does not compare to General Prem at all.

Mr Prayun Suraniwong, the secretary-general of the Thai Nation Party, told LAK THAI that concerning the Thai Nation Party's motion to hold a no-confidence debate on General Prem, he feels that this is too broad. The Prem 4 government is different from the first three Prem governments. That is, responsibility for administering things has been turned over to the various ministries and so General Prem is playing a greatly reduced role. He steps in only when there are disputes between ministers.

"As for taking aim at General Prem, I don't think he will feel anything since he has made the ministers responsible for things. For example, the trust problem is the responsibility of Mr Sommai, and the balance of trade problem is the responsibility of the Ministry of Commerce," said Mr Prayun.

Mr Prayun also said that after analyzing things, he does not feel that the action taken by the Thai Nation Party was on target. It would be difficult to topple the government. However, the stability of the government does not depend just on the number of MPs [who support the government] but also on the military. That is, the military also plays a role in maintaining the stability of the government.

"I wonder if the hidden powers still support the government's administration and whether, after listening to the Thai Nation Party, they will play a role in making changes." The secretary-general of the Thai Nation Party also said that the effect on the votes of the government is minimal or non-existent. But this might have had some effect as far as how people feel. In particular, if the government is not clear in its statements, the people might lose faith in the government.

As for the Thai Nation Party, this action is a challenge to the "eel" party, too, since this party was once a part of the government. The present problems are problems that originated when the Thai Nation Party was still in the government. Thus, if they are not careful, the "arrow" shot at the debate might hit the Thai Nation Party itself. The failure of the motion the very first round has allowed people to see the problems within the Thai Nation Party more clearly and shown that the party is still very unprepared.

And a no-confidence debate on General Prem, either in or outside parliament, may be just a "political farce."

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## THAILAND

### COLUMNIST QUESTIONS DEFENSE OF ASEAN, OTHER INTERESTS IN FOREIGN POLICY

Bangkok MATUPHUM in Thai 7 Jan 84 p 4

[Walking Backwards column by Likhit Hongladarom: "ASEAN and Thailand's Foreign Policy"]

[Text] I am worried about Thailand's image in ASEAN. Thailand is considered to be a "gentleman" but is being laughed at.

"Thai soldiers are envious of the good weapons used by Malaysian soldiers."

"Singapore is having an investment and economic boom. Malaysia, too, is competing for investments in Southeast Asia."

"Investments in Thailand have come to a halt. Foreigners are afraid of the Kampuchean problem and worry that Vietnam will invade Thailand."

I supported the formation of ASEAN, the purpose of which was to promote economic cooperation in this region. And I support the proposal to implement a joint-forces type foreign policy. But with the image of being the leader of the group, how much attention are we giving to our own interests? I am upset that ASEAN has inadvertently been drawn into international politics. Thailand has become the forward outpost of ASEAN and the free world in the confrontation with Vietnam. And in the eyes of people outside who are far away and who lack data, things here seem to have become more insecure and less peaceful.

For these reasons, we should stress ASEAN's role as an association for economic and social cooperation and review the regional and international political elements that have crept into ASEAN and that might inadvertently harm Thai interests.

This will not destroy ASEAN. Rather, it will keep ASEAN from being dirtied by politics.

I think that ASEAN's political line is too Western. Too many of the interests of the members have crept in. And this has resulted from Thailand's response to the policies of the great powers, which have stipulated

both tangible and intangible roles for Thailand to such an extent that we have forgotten about our own position and situation.

I want us to think like Thais and to learn from history how the Chakri kings solved the Lao and Kampuchean problems using Thai methods. These methods have enabled Thailand to be a leader in this region and to maintain our independence.

Put simply, what can we do to solve the problems around us quickly and resolutely and make Thailand a country that is safe for investments and tourism?

The present state of affairs has arisen from the war in Kampuchea, from the fact that foreign troops are stationed in Kampuchea and from the incursions into Thailand. These are problems that must be solved immediately by giving our main attention to national interests.

Let's take off the mask of being a gentleman. Let's slough off the skin of being ASEAN's political big brother. Let's take off the mask of trying to please the great powers and stop trying to solve the problems based on the international situation.

In trying to solve the problems, some allies might not approve of what we are doing and some might misunderstand. But our friends have not helped improve the image of peace or helped improve investments here. They did not even help when we were invaded.

The president of the United States cancelled his visit to Thailand without a trace of regret. Japan is holding to a hands-off policy. Australia and many of the European countries are beginning to change their position and support the Heng Samrin group.

The longer that Western (both the free world and the socialist countries) methods are used to solve the problems, the worse the situation in Kampuchea will become. This will become a chronic problem like the problems in the Middle East. And who will suffer? Thailand will be like the hero who dies slowly but with great fanfare.

I would like us to stop playing the hero. Being the victor is better. We will be able to laugh louder, and the standard of living of Thais will be better, too.

Let's take off the suit and necktie. Let's stop going to foreign parties. Let's roll up our sleeves, sit on the floor to eat and look at things like Thais. I think we can solve the problems.

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## THAILAND

### COLUMNIST: ASEAN BECOMING A MILITARY ALLIANCE

Bangkok MATICHON in Thai 10 Jan 84 p 4

[Walking Backwards column by Likhit Hongladarom: "Review Thailand's Role In ASEAN"]

[Text] It's time that we reviewed the benefits gained by belonging to ASEAN. We should also look at the ways that Thailand is facing the problems and the role that we are playing.

ASEAN was formed in order to promote cooperation and gain benefits on the economic and social fronts. But this role has not become as prominent as it has in the European Common Market. Instead, the various members have been doing this and that to get the group to play the role of a political-military group like NATO.

It's difficult to deny this. And instead of giving us an advantage, this is more dangerous to Thailand's economy than if we were by ourselves.

Where did we make the wrong turn and why?

I don't think that the structure of the Thai ASEAN organization is appropriate. It's not that the Thai ASEAN units lack the skills. They are units that are run by diplomatic experts with a background in economics. Also, the work units are subordinate to the administrative units of the Ministry of Foreign Affairs.

Thailand joined ASEAN mainly for economic reasons. Our main goal was to make economic progress by cooperating at the regional level. Concerning this goal, things should be stipulated and carried out directly by the economic units concerned, that is, the Ministry of Commerce, the Ministry of Industry and the Ministry of Finance.

Placing things under the control of the Ministry of Foreign Affairs has only one good point and that is that we can use diplomatic arts to reach the goals. But there are many unintended disadvantages to this. For example, the Ministry of Foreign Affairs may stipulate the objectives by adding some [objectives] of its own. Or it may give priority to security

data and factors rather than economic data and factors. Actually, the Ministry of Foreign Affairs should be a support unit at the negotiating level.

In actual practice, we lean more to foreign and military affairs than to economic affairs. Singapore and Malaysia have supported and applauded this to the point where Thailand has become ASEAN's forward outpost in the regional political policy. This has resulted in a loss of confidence among investors, and national defense costs have increased. Also, we have had to ignore many other sectors while other countries have implemented policies that will put them on the road of economic well-being.

Concerning this bias in practice, I think that this has happened because of the nature of the diplomats, who have drawn the economic targets toward international politics, because of the attention given to the influence of the military, which is a more important component of this regional alliance, and because of the fact that officials in the Ministry of Foreign Affairs are experts who are familiar with the theory of national security.

And what has happened to economics? I have constantly watched the economic progress made by ASEAN. But recently, I have not seen any progress made on this front. I just pray that this has resulted from a failure to disseminate information about the results of the work.

This is an age of progress. The military has implemented a "politics leads the military" policy and achieved results. We are waiting for a white paper from the government if the economic ministers and the minister of foreign affairs would stipulate a national development policy using a similar "economics leads foreign affairs and the military" policy. Only in this way will we be able to gain on South Korea and Japan.

I appeal to all public officials concerned to review ASEAN's development path, of which we are one of the creators. These people should remember ASEAN's original goals and principles and reduce the political elements so that we will have purer regional cooperation on the economic and social fronts with each member country receiving a fair and equal share of the benefits. Thailand's role as the protector of the other member countries, and the expenses and losses it has incurred in playing this role, should be reduced.

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## THAILAND

### 'SOURCES' SPECULATE ON APRIL MILITARY REASSIGNMENTS

Bangkok LAK THAI in Thai 12 Jan 84 pp 19-21

[Article: "A Special Event: the Reassignment of Generals During April"]

[Text] A report from a military "deep circle" said that in reassigning many senior military officers last year, it was not planned to assign them to "full-year" positions since remaining in one position a full year might be too "slow" for people who are "on the way up" and for whom time is extremely valuable. Thus, there are many positions that have been tailored for people who will remain in the position for the minimum time allowed, that is, 6 months, before being reassigned. Several senior officers have pointed out that the reassignment of some lower-ranking officers, that is, field-grade officers, in November amounted to a very "flexible" system of making assignments. Some people found themselves in units that they had never thought they would be assigned to. Some are still in the positions. That is, they are waiting until appropriate changes are made. It is not believed that they will have to wait until October. There will have to be reassignments of senior officers just as in October at one level or within one group in order to pave the way for the regular annual reassignments. Normally, the reassignments in October are considered to be a "transfer of generals." The reassignments in April, which is a mid-year transfer, is the "transfer of field-grade officers." But this year, something special will definitely have to happen in the army, that is, the "transfer of generals" in April. This does not violate any regulations, because whenever it is necessary militarily, people must be reassigned. Whenever the situation makes it impossible to wait until October.... The only thing is that this happens very rarely, and it is seldom done with great fanfare.

LAK THAI has received confirmation from a news source that Lieutenant General Phat Urailloet, the commanding general of the First Army Area, will be transferred to a full general's position at Supreme Command Headquarters before he retires this October--a story that LAK THAI has already printed. But even though the position of commanding general of the First Army Area will be open, it is not known for sure who will take over the position. Even though Major General Phichai Kunlawanit, the commander of the 1st Infantry Division, is also serving as the deputy commanding general of the First Army Area, it is not always true that the

deputy commanding general succeeds to the position of commanding general. The reason for such rumors is that it is felt that Lieutenant General Wanchai Ruongtrakun, the assistant army chief of staff for operations, was appointed to the post of assistant army chief of staff because the timing was right and he had waited his turn to move up. Lieutenant General Wanchai is considered to be a product of the First Army Area. Before becoming the assistant army chief of staff for operations, he was the chief of staff of the First Army Area, which is equivalent to being the deputy commanding general. And thus, the person is ready to move up to the position of commanding general. The fact that Major General Phichit Kunlawanit has become the deputy commanding general of the First Army Area, which shows that he is ready to become the commanding general, too, is tantamount to he and Lieutenant General Wanchai being in the same spot as far as their chances of moving up are concerned. Concerning being a lieutenant general and serving as the assistant army chief of staff and being a lieutenant general and serving as the commanding general of the First Army Area, it would seem that the latter is the more "direct route" since there are several assistant chiefs of staff of the army while there is only one commanding general of the First Army Area. And after serving as the commanding general of that army area, there is only one way to move up, that is, to move into a command position as the assistant RTA CINC. In the staff chain, in which Lieutenant General Wanchai is the assistant army chief of staff, even if the person is promoted to deputy chief of staff or even chief of staff, this is not a command position. Thus, this is tantamount to there being several people from the same line competing for the same positions. And if we look deeply at their feelings toward each other, it can be seen that this is a very serious matter.

Concerning this crowding of each other, if they were bus drivers, the police or officials from the Department of Land Transport would have arrested them by now. And in the end, the bus drivers would have gotten into a brawl. But this does not involve buses, the police are not involved and no one has gotten into a brawl. But [it's the same as if] officials from the Department of Land Transport had allocated concessions by opening new concessionary routes so that people wouldn't all have to use the same route. But the roads all end at the same point.

This is the reason for the mid-year reassignments this coming April. That is, the purpose is to foster harmony, prevent conflicts and keep people from crowding each other so that everyone can run toward the final goal without getting in each other's way. Thus, it is the duty of officials from the Department of Land Transport to arrange concessionary routes and prevent problems. Based on reports from a LAK THAI news source, it seems that what has been arranged is that "those near retirement will have to make sacrifices." That means that senior people must make sacrifices and keep those junior to them from getting into fights. Thus, Lieutenant General Phat Urailoet, the commanding general of the First Army Area, will be transferred from this position prior to his retirement in October. This is considered to be a sacrifice on his part. But he

will be made a full general, which is the highest military position, in honor of his distinguished career. In effect, Lieutenant General Phat Urailloet has risen in rank but lost his position, which is a draw. This rise in rank should mean extra profits. Because remaining in his position until October and retiring a lieutenant general is not as desirable as retiring as a full general.

But when people crowd each other like this, what can be done to solve the problem?

A high-ranking news source of LAK THAI said that another person who is making a sacrifice similar to that made by Lieutenant General Phat Urailloet is General Sup Aksaranukhro, the deputy RTA CINC, who will retire this October, too. General Sup is a "Krit" man. After the events of 14 October 1973, General Krit Siwara recalled him from his position as the assistant army attache in London and appointed him to the position of director of the Directorate of Personnel in place of General Som Khattaphan. And through the years, this senior officer advanced steadily because those who rose to the top in the army in following periods all had connections to "Krit." This included General Bunchai Bamrungphong and General Soem Na Nakhon. General Sup did not pose a threat to anyone. He was an officer who was always polite and easygoing. He never opposed anyone. He was like General Chot Hiranyatsati, who was a close friend and "Krit" man, too. After serving as the deputy RTA CINC for 1 year, he kept his position during the next year's military reshuffle. This was because of General Sup's qualities as mentioned above. Also, he is farsighted and can be weak when it is necessary to be weak and strong when it is necessary to be strong. That is, he is a good tactician. The fact that he has served as deputy RTA CINC for 2 years satisfies all sides. If he has to leave the army and move to Supreme Command Headquarters before he retires, he will do so to please his juniors. And senior officers will be pleased since this will make it possible to solve the problems. The congestion will be relieved by opening up more than one route.

LAK THAI's news source said that what will happen in April is that General Sup Aksaranukhro, the deputy RTA CINC, will be transferred to Supreme Command Headquarters. His case is different from that of Lieutenant General Phat, the commanding general of the First Army Area, since he is already a full general. But in the 5 months remaining before he retires, he will be able to provide much help to Supreme Command Headquarters. Also, he is someone who will be trusted in assigning positions to officers who will be reassigned in October. This is because General Sup uses an appropriate system in reassigning people since he used to be the director of the Directorate of Personnel.

Once General Sup has been moved to Supreme Command Headquarters, the vacant position of deputy RTA CINC will definitely go to General Thienchai Sirisamphan, the first assistant RTA CINC. This will open up one assistant RTA CINC spot. General Pathom Soemsin, the second assistant RTA CINC,

will move into this position. And this is the crux of the matter. It would seem that Lieutenant General Wanchai Ruongtrakun, the assistant chief of staff for operations, is the person who should become the second assistant RTA CINC with Major General Phichit Kunlawanit becoming the commanding general of the First Army Area. The road would no longer be crowded. Lieutenant General Ruongtrakun would be promoted to full general in his position as the assistant RTA CINC, which would be a very rapid rise. If the military transfers in April, which resemble a "transfer of generals" rather than a "transfer of field-grade officials," turn out this way, it will be possible to see who will be the next RTA CINC in October 1985 after General Athit Kamlangek, [the RTA CINC], and General Thienchai Sirisamphan, the deputy RTA CINC, retire. This would mean that the way forward to the two positions is wide open for Lieutenant General Wanchai Ruongtrakun.

This year, another view is that since General Pathom Soemsin, the assistant RTA CINC, will retire in October, why don't they transfer him to some position in Supreme Command Headquarters in order to allow Lieutenant General Wanchai to become the assistant RTA CINC without having to disturb General Sup Aksaranukhro or transfer General Thienchai Sirisamphan to the position of deputy RTA CINC. LAK THAI's news source said that this is something that must be watched closely since something political might happen to change things. The news source said that it may be because if the constitution is revised to allow regular government officials that are serving as senators to hold political positions, General Athit would have a good chance of rising to the top administrative position, that is, the position of prime minister, without violating the constitution. If that happens and assuming that General Athit does become prime minister, he will not continue serving as both the supreme commander and the RTA CINC. Because soldiers who become prime minister and who serve concurrently as minister of defense and supreme commander have immense power already. Thus, this would give General Thienchai Sirisamphan, who would already be the deputy RTA CINC, a chance to become the RTA CINC, said the news source.

As for the matter that is connected to the transfer of officers in April, that is, the revision of the constitution, this might happen because one important opposition party, the Thai Nation Party, feels that this aspect of the constitution should be revised since it believes that senators are members of parliament and can serve as representatives of the Thai people just as well as elected MPs. They do not feel that senators should be limited to playing a political role just in parliament. These representatives should also be allowed to be political administrators. The movement to change this part of the constitution is starting to become quite clear.

The transfer of senior officers in April prior to [MPs] making a motion to revise the constitution at the general session of parliament, which will convene in May, that is, 1 month after the transfers, is a very

interesting matter. At the very least, this is a sign politically of what will appear if the constitution is revised to allow senators to hold administrative political positions. But what will happen if the effort to revise the constitution fails?

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THAILAND

PHICHIT COMMENTS ON PRK BORDER TRADE, SECURITY

Bangkok MATICHON in Thai 13 Jan 84 p 3

[Interview with Major General Phichit Kunlawanit, the deputy commanding general of the First Army Area, acting commander of the 1st Infantry Division and commander of the Burapha Force, by Chaisit Khamsukdi on 10 January in Prachinburi Province]

[Excerpt] [Part of] today's column is an official news release made by Major General Phichit on 10 January at the headquarters of the Burapha Force in Wattana Nakhon District, Prachinburi Province. This points out the trading that is going on along the border in Aranyaprathet District and the development of the military, which is working for the people who live along the border.

Everyone knows what has taken place here since 1980. As for why government officials have had to implement a royal decree on controlling border trading, I would like to summarize the reasons briefly.

This was done in order to preserve the security of the country and of the state, to maintain order along the border and to prevent strategic goods from falling into the hands of those who pose a threat to the country.

This royal decree was promulgated in 1981. The operational details were stipulated clearly. Those engaged in trade are well aware of them.

In carrying out these tasks, we have done things in accord with the orders and policies. We are well aware of the effects of these activities. All of the problems and difficulties that have arisen in the various stages.... The Burapha Force has tried to do things correctly, honestly and fairly.

Concerning controlling the transport of goods across the border, which some people feel is a waste of time, there is an operational order that clearly stipulates that [merchants] must report the amounts and types of goods before the goods can be transported across the border. If things



are done in accord with the regulations, there won't be any problems. Please do things correctly. I can assure you that there won't be any problems.

As for what has happened in the past, some merchants have clearly intended to smuggle goods across. They have used many methods to conceal goods. When we find such goods, we have to seize them and file charges in accord with the law. This is for people who willfully violate the law. There are other cases in which the person did not intend to violate the law or in which he did not know he was doing anything wrong. We look at the person's intentions and at the facts and do things in a humanitarian way. We don't arrest people in every case. Please show some sympathy for the officials. Please help us keep watch and make an effort to get the merchants to consider the harm that this does to people in general and to the nation.

Another thing is that this border smuggling creates confusion and causes more crime. People betray each other and people are killed as a result. It's difficult to suppress this since these people are frequently accompanied by armed guards. Sometimes, there are clashes in which both sides suffer casualties. What can be done to get people to cooperate in solving these problems, which pose a danger to the nation? Please think about this.

In short, the task of controlling goods and suppressing smuggling along the border is something that has created great concern among the officials working here. But we are doing our best to do things correctly and fairly and in accord with the royal decree.

As for the charge that the officials who work at the checkpoints near the border are too strict and that they detain people and cause trouble for people, I would like to give you the facts. In this area, we have to be especially careful. Besides making inspections to prevent goods from being smuggled into and out of the country, we have to take precautions against infiltration. Sometimes when we check a person, the person doesn't have an identity card or any other document showing who he is or where he lives. When a person doesn't have any such document, the officials have to interrogate him. We don't know what his intentions are or whether he is up to no good. He may be coming here to carry out sabotage or do something harmful to the country. This is not something that can be ignored or overlooked. We have to investigate. This has resulted in those who don't understand making incorrect charges.

I ask all patriotic Thais not to do anything that violates this royal decree. Those who are considering doing something wrong, please stop now. This involves the security of our country.

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CSO: 4207/71



## THAILAND

### POLITICAL, MILITARY REACTION TO KRIANGSAK SRV TRIP

Bangkok LAK THAI in Thai 9 Feb 84 pp 18, 19

[Article: "The Eagle Visits Hanoi; a Policy Opposite That of the Military"]

[Text] The trip to Vietnam by General Kriangsak Chamanan, the leader of the National Democracy Party and the former prime minister, has generated widespread criticism. There have even been reports from abroad to the effect that Mr Nhuyen Co Thach, the Vietnamese minister of foreign affairs, has mentioned disputes within the Thai government. This has generated even greater criticism.

Thailand and Vietnam did not become enemies just over the Kampuchean issue. The truth is that they have been foes since ancient times.

#### Advance on Hanoi

In his capacity as the chairman of the House Foreign Affairs Subcommittee, General Kriangsak Chamanan, the former prime minister, and his group visited Hanoi during the period 18-25 January. However, a news report stated that General Kriangsak and his group were originally scheduled to visit Hanoi last December but that the trip had had to be postponed for political reasons.

The reason that General Kriangsak's trip to Hanoi had to be postponed from December to January was that there was widespread criticism from right-wing groups, China and even government organizations. It was charged that if General Kriangsak visited Hanoi in December, it would be tantamount to showing disrespect to a basic institution [the monarchy] since for the Thai people, there is a very important holiday in December [the king's birthday]. For this reason, General Kriangsak postponed the trip to January. Besides this, the Ministry of Foreign Affairs and the National Security Council did not approve of the leader of the National Democracy Party visiting Hanoi since this was tantamount to relaxing [the government's] foreign policy on Vietnam at a time when the Thai government is using every means available to get Vietnam to withdraw its troops from Kampuchea.

After his return, General Kriangsak Chamanan talked with reporters and denied reports by foreign news agencies that Nguyen Co Thach had said in an interview that the trip to Hanoi by General Kriangsak shows that there are conflicts within the Thai government. He said that Nguyen Co Thach did not say this. The leader of the National Democracy Party also said that the purpose of this trip to Hanoi was not to hold political negotiations since he did not want to go against the government's policies or have trouble with the government.

"I just wanted to go obtain facts on the political, economic and social situation there in order to submit the data to the government and to help create a better climate between Thailand and Vietnam," said General Kriangsak. And he added that the Foreign Relations Subcommittee is confident that this trip will help promote friendship and better relations between the peoples of the two countries in order to reduce the tension. Vietnam proposed that if the two sides stopped making propaganda attacks on each other and started talking to each other, this would help eliminate the obstacles that are preventing the problems from being solved.

"Vietnam stressed that the 1978 joint communique by myself and Pham Van Dong can still be used as the basis for relations between Thailand and Vietnam," said General Kriangsak.

#### The Policy of Neutrality

During the period that General Kriangsak Chamanan was in office, when he became the head of the government at the end of 1977, he tried to make [Thailand's] foreign policy more neutral and rushed to restore relations with certain countries whose relations with Thailand had cooled, particularly the pro-Soviet socialist countries. During the administration of Mr Thanin Kraiwichien, relations between Thailand and these countries fell to a very low level. And this was not true for just the socialist countries. Relations with free-world countries deteriorated, too, during the Thanin administration.

Thus, it was necessary for the Kriangsak government to restore relations by implementing a policy of neutrality. However, implementing a policy of neutrality and moving closer toward the Soviet Union and Vietnam had severe repercussions on the Kriangsak government. This was a period in which China and the Soviet Union and Vietnam were confronting each other. The implementation of this policy displeased some friendly countries. In the end, the Kriangsak government fell. A news source said that it was not just domestic problems but also foreign pressure that forced General Kriangsak to step down as prime minister.

While this is not a lesson, the policies implemented by the government of General Prem Tinsulanon seem to be more circumspect. At the same time, it has taken great pains to please the United States.

## What Is the Effect?

Several analysts have asked what effects this trip to Hanoi by General Kriangsak will have, whether there really are conflicts within the Prem Government and what the reaction of the National Security Council and the military will be. These questions are all major problems and they stipulate roles in implementing Thailand's foreign policy in the present period.

First of all, it must be stated that while the National Democracy Party is one of the parties in the government and has a former prime minister as its leader, this party does not control the Ministry of Foreign Affairs. And General Kriangsak made this trip to Hanoi in his capacity as the chairman of the House Foreign Affairs Subcommittee. Thus, there will not be any serious effects. However, in broad circles, Vietnam may use this for propaganda purposes. But this is [part of] the international political game. And if General Kriangsak is reprimanded by the National Security Council or the Ministry of Foreign Affairs, that would be quite normal since they are taking different paths.

"We admit that the party leader going to Hanoi was a different approach. But he was trying to find a way to bring peace to this region," said Mr Prayun Suraniwong, the secretary-general of the National Democracy Party, to LAK THAI. He said that the goal of the Thai government is to bring permanent peace to this region. What the Ministry of Foreign Affairs is doing is aimed at the same thing, but it is different from the approach being used by General Kriangsak.

Mr Prayun said that he believes that peace can be brought to this region only through the efforts of people in this region. None of the great powers should be allowed to play a major role in solving the problems. In trying to bring about peace, President Reagan follows the principle of becoming stronger militarily. But he [Prayun] does not agree with this approach since there are other ways of doing this. In building up military strength, there is a great risk of war.

"There is a greater chance of war. Thus, I don't agree [with this approach]. I attended a nuclear arms disarmament conference in Japan last October. We discussed things in detail and agreed that a military build-up is a war challenge and that the chances of war are greater." The secretary-general of the National Democracy Party said that the present difficulties stem from the fact that the great-power countries on both sides are playing a role. Vietnam receives support from the Soviet Union while Thailand receives support from the United States.

The secretary-general of the National Democracy Party also spoke about Thailand purchasing F16 fighter aircraft from the United States. He said that his theory is that politics and economics will be able to solve both the internal and external problems. Weapons are secondary. If a war breaks out, no one will win; both sides will suffer. Approximately

20 percent of the annual military budget should be used to develop the country instead. It's not that we want to eliminate [the military budget] entirely. It's just that the percentages should be more appropriate."

#### What Does China Want?

However, the trip to Hanoi by former Prime Minister Kriangsak did not gain the attention of government units only. Even foreign governments closely followed the activities of General Kriangsak. Some countries were probably unhappy with this since this has changed the international bargaining factors.

One army general told LAK THAI that General Kriangsak's trip to Hanoi amounts to implementing one type of political policy. Some countries want Thailand and Vietnam to get into a fight. In particular, China wants Thailand and Vietnam to fight each other. At present, it is supporting the Khmer coalition government since it does not want Vietnam to have influence over Kampuchea.

"I think that General Kriangsak's trip to Vietnam has helped reduce the enmity. If we got into a fight, this would weaken both sides and China and the Soviet Union would be able to intervene," said this officer. He added that the Thai government does not want to be Vietnam's enemy. The only thing is that it does not agree with Vietnam sending troops into Kampuchea. We stand by the U.N. resolution on having Vietnam withdraw its forces from Kampuchea. As for the [Thai] military, it does not want to fight Vietnam, but it cannot be careless. Because if Vietnam invades Thailand, the people will lose morale. The fact that we have made preparations does not mean that we have made preparations to fight a war; the preparations were made to prevent a war.

"We still have relations with each other. Whenever there is a party, their ambassador attends. Whenever he sees me, he still shakes my hand. I have heard reports, although I cannot confirm them, that Vietnam will release our fishing boats. I think that this is being done as a gesture in response to our visit there," said this army general.

General Kriangsak's trip to Hanoi probably pleases intellectuals and those who favor a neutral line. But the Ministry of Foreign Affairs, the National Security Council and certain military groups are probably looking askance at General Kriangsak.

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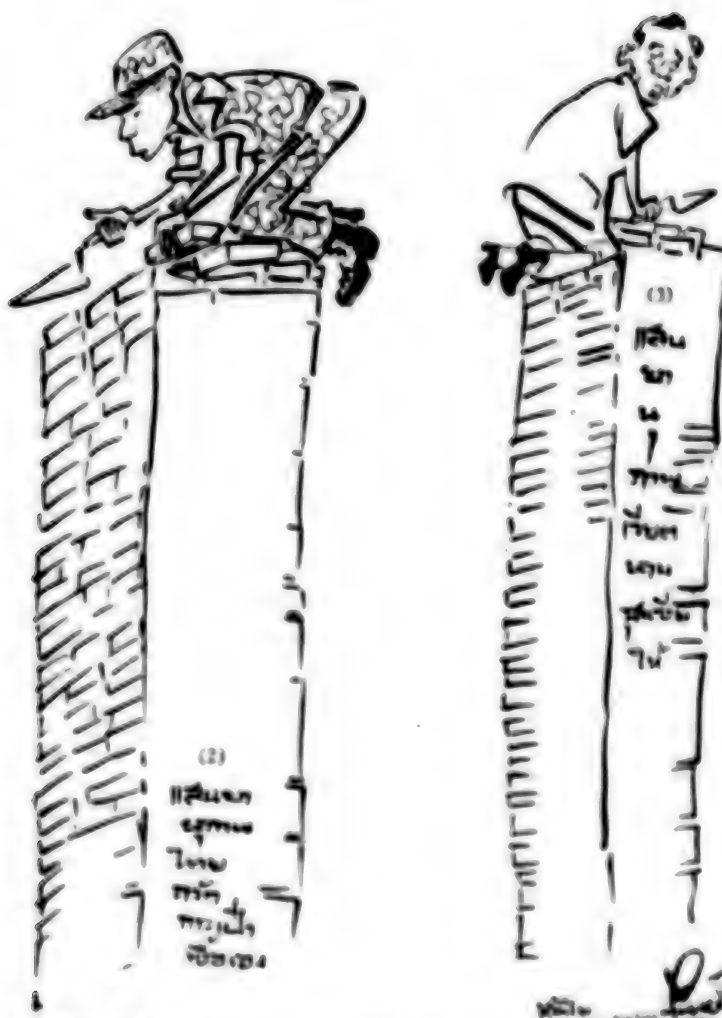
CSO: 4207/83

CARTOON COMPARES THAI, SRV MILITARY CAPABILITIES

Bangkok LAK THAI in Thai 9 Feb 84 p 8

[Cartoon]

ผมก็สร้างได้ (1)



[Text] Caption: Key:

1. I can build it.
2. Thai military might is paid for by Thais.
3. Vietnamese military might is paid for by Russia.

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CSO: 4207/83

ECONOMIC, FINANCE INSTITUTION PROBLEMS: RICE PRICE POLICY ANALYZED

Bangkok ATHIT KHLET LAP in Thai 7-13 Jan 84 pp 11-16

[Article: "The Financial Crisis, the Gun-Power Arena"]

[Excerpts] Financial Power, a Powerful Trend

In the wake of the rapid growth of business in Thailand, the financial power groups have begun playing a greater political role.

Conversely, the political power groups have begun taking control of more of the economic bases. And so the capitalist groups have had to struggle even more because the political powers that have started seizing the economic bases have done so using superior means, including powers protected by the military and those that use legal means to exert pressure.

Thus, the struggle by the capitalist powers in relying on the political groups will have to increase in intensity to match this. The conflict between these two groups and the effect on profits cannot be denied.

Since the political arena has already been circumscribed, the economic arena is the only arena for which all the power groups are waging a serious struggle.

Thus, the various economic crises during the second half of 1983 had a strong effect on the political crisis.

It is thought that the Prem 4 cabinet reshuffle, which took place at the end of last year, resulted from these economic crises, including the financial disorder arising from the [collapse of] the trust companies and the dispute over exporting paddy.

The Financial Institutions and the Cold-Blooded Policy

"[It] let the financial institutions go bankrupt." This is a simple explanation of the results of the Prem 4 government's economic policy, which was implemented by Mr Sommai Huntrakun, the minister of finance.



That is, when the financial institutions began experiencing problems, the government's attitude was to allow them to go bankrupt and not give them any real help. A clear manifestation of this at the time the financial crisis was at its peak was the refusal by the government and Mr Sommai to establish a Deposit Insurance Corporation.

Instead, Mr Sommai used four measures to solve the problems concerning the finance and securities and credit foncier companies. The four measures, which were approved by the cabinet on 6 December 1983, were:

1. To inspect and take resolute action against companies that are not in a good position and whose activities could result in losses for the people.
2. To implement measures to help those holding promissory notes of the Thai Sahathonkit Securities Company Ltd. Each would be paid 50,000 baht or 10 percent of the promissory note. As for the remaining amount, it would be paid off in installments of 10 percent each.
3. To increase the liquidity of the financial institutions by having the Bank of Thailand play a role, within the limits of the law, using suitable methods.
4. To revise the 1979 Finance, Securities and Credit Foncier Business Act.

Besides this, ordering five trust companies that were in a weak position closed and ordering that two others be supervised is not the right action to take against these financial institutions.

At the same time, concerning the careless use of the 5-billion baht liquidity fund, it can be seen that this is an attempt to find a way out for the trusts and that this has resulted in the government becoming less strict.

But actually, one businessman who is involved with the financial companies told ATHIT that "this has not achieved the results it should have. This has allowed people to see that the government has not been very strict with the trusts. If they do things this way, regardless of whether the trusts are in a secure position or not, none of them would dare borrow money from the liquidity fund since this would result in the trust losing credit in the eyes of its customers."

At the same time, a news source in business circles told ATHIT that there are more than 20 trust companies that are currently experiencing severe problems and that the fate of these trust companies is in the hands of the government.

"Some of the companies may gradually go bankrupt. As for the rest, the government will find ways to take control or order them closed," said the same source.

Thus, it can be said that this policy will probably create problems and lead to conflicts between the government and the financial institutions.

At the same time, it has been observed that the measures now being used by the government are like a time bomb for the government itself. The more the government tries to step up the use of this policy, the more serious the conflict will become. And it will reach the point where the businessmen will have to seek greater support from reliable political bases in order to protect themselves from the government.

#### Rescuing the Baht, Limiting the Commercial Banks

On 26 December 1983, Mr Nukun Prachuapmo, the governor of the Bank of Thailand, called a conference for high-level commercial bankers and stipulated Bank of Thailand measures for reducing the balance of payments deficit, which was very great in 1983. Seven measures were stipulated for the commercial banks.

These can be summarized by saying that the commercial banks are to control providing credit for imports and maintain credits at the level of the previous 12 months. Exporters who have received support from the Bank of Thailand must sign a foreign exchange sales contract in advance with the commercial bank. And the standards concerning the loans of the commercial banks on the repurchasing market must be in accord with the current situation.

The balance of payments problem has resulted in the commercial banks losing much income from loans for imports. At the same time, the dispute has widened and now involves the importers, too. Based on the figures released by the national bank, it appears that, this year, imports have reached 14 billion baht. The purpose of importing all these goods is to stockpile goods for [future] profits since it is thought that the baht will definitely be devalued.

At the same time, the government has assured people that the baht will not be devalued before the end of 1984 at the earliest.

And that is not all. In talking about the 8 billion baht balance of trade deficit, Mr Koson Krairuk, the minister of commerce, said that the major weakness is imports. Thus, he proposed a measure to limit imports. But regardless of whether it is proposed to establish a tax barrier or curtail the rights of those who have received investment promotion, or BOI, cards, this is a reflection of the conflict over these government policies.

## Paddy, the Governments' Empty Bag

One thing that happened just as the harvesting season began was that the farmers in many provinces sold their rice at prices below the guaranteed price, which had been set at 3,000-3,000 baht per kwian [1 kwian equals 2,000 liters]. They sold their rice at prices up to 600 baht less than this price.

MPs from many provinces raised this issue with the Agricultural and Economics Subcommittee in parliament. And when the Marketing Organization for Agriculture was questioned, it was learned that the problem was that the marketing Organization for Agriculture had not yet received the 3.3 billion baht for paddy price support from the government even though the harvesting season had arrived. At the same time, the Marketing Organization for Agriculture had suffered losses and debtors had not paid their debts.

In the end, all the problems led to the government, which had not announced a clear policy on purchasing paddy and which had not permitted money to be disbursed.

This matter finally resulted in the political parties, including parties in the government and opposition parties, taking action.

Concerning the Social Action Party, at a party meeting on 30 December, the government's policy came under heavy attack, and it was proposed that Mr Koson Krairuk, the minister of commerce, and Mr Narong Wongwan, the minister of agriculture and cooperatives, present this matter to the government to get the government to disburse funds as soon as possible.

As for the Democrat Party, it took a similar position, as did the Thai Nation Party.

Something worth noting is that it is very likely that the government does not have any money to prop up paddy prices. And it is quite possible that the government will try to find a way out by using other ways to solve the problem, such as by reducing the paddy premium or by implementing a policy of exporting paddy to Europe.

The government will use these methods of stimulating exports in order to get the merchants to purchase paddy from the farmers at a high price. This shows the government's great lack of financial preparedness--to the point where it does not have money to support paddy prices.

At the same time, the things that the government is doing do not provide any assurance to the farmers because once the paddy is in the hands of the rice mills that have purchased it, it is even more difficult to determine to what extent the farmers have been cheated. At the same time, the longer the government delays before getting involved, the more time there is for the paddy to pass into the hands of the rice

mills. It does the farmers absolutely no good if the purchases are made later on.

MPs, particularly Social Action Party MPs, who uphold the shift fund policy in building a political base in the rural areas have been affected. And even the MPs who are members of parties in the government lack money for campaigning among the farmers.

The Social Action party seems to have the most problems. Because this is tantamount to increasing the rift between the MPs and the ministers in the party, a rift that had appeared previously.

#### The Financial Crisis, the Gun-Power Arena

Mr Trairong Suwannakhiri once said that the problem of reshuffling the cabinet of the Prem 4 government rested with the parties in the government, although he did not state which parties. But the Social Action Party stands out most clearly at present. And at a time when the implementation of the government's policy has led to many serious disputes with the interest groups in the Social Action Party, this is something of great importance since it indicates the situation within the Prem 4 government.

At the same time, the conflict during the past 6-7 months between the powerful political groups and the capitalists and businessmen shows that the capitalists have run to seek help from the military power groups. In particular, the large finance groups have had to find shelter in order to ride out the present storm.

In the political sphere, even though the government of General Prem has been able to keep things going by supporting the semi-democracy, the arena of the conflict is shifting from the political arena to the economic arena, where [the groups] are ready to engage in a fierce struggle over irreconcilable differences. And this will certainly affect the situation in the political sphere.

Concerning this situation, the more intense the conflict between the political power groups and the business groups, the more the business groups will lean toward the military power groups. "Gun power," which is just waiting at the edge of the arena where the economic struggle is taking place, just has to wait to pick up the pieces from the conflict without having to exert any effort or take any risk.

And in the end, both the economic and the political struggles will provide the military powers, or "gun powers," with the excuse to step in and resolve the matter.

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BURMA BORDER DISPUTE DISCUSSED

Bangkok ATHIT KHLET LAP in Thai 7-13 Jan 84 pp 18-20

[Article: "The Thai-Burmese Border Dispute"]

[Text] Thai Government Resolutely Launches "Buffer Zone" Strategy

The border problems between Thailand and Burma are becoming more and more complex. These problems range from the dispute over the natural border demarcation line, about which the two sides cannot reach a clear agreement, to the problem over the minority groups in Burma. Concerning this latter problem, the Burmese government is afraid that Thailand will provide support to these groups to keep them deadly enemies of the Ne Win government.

These disputes have been discussed at the government-to-government level many times, but it has not been possible to resolve them. Recently, the Burmese government sent a note to the Thai government concerning the boundary problem in the area of the Moei River in Tak Province. The original treaty that Thailand signed with Burma during the reign of Rama V, when things were negotiated with the High commissioner for India in 1868, does not demarcate the border clearly. It states only that the left bank of the Moei River belongs to Burma while the right side belongs to Thailand. The problem is how to determine which country has ownership rights to the islets in the river, which is 338 kilometers long.

Besides this problem, the conflict between the peoples on the two sides of the river is another thing that has cooled relations between the two governments. In 1981, Burma built five "walls" (retaining walls against the river current) opposite Tha Sai Luak Commune in Mae Sot District. This was done in order to prevent the river current from beating against the bank on the Burmese side. Conversely, the construction of these retaining walls by Burma resulted in the erosion of the bank on the Thai side.

Thus, Thailand built six retaining walls. In response, Burma built additional walls for a total of 24 walls. Thailand then increased its number to 16. This was a waste of money by both sides. After that, Thailand showed



a willingness to compromise. Last December, the cabinet gave permission to spend 1 million baht to build a dam along the Thai bank instead of building more retaining walls in competition with Burma.

As a result of this problem, on 29 December, Sublieutenant Praphat Limpraphan, the deputy minister of foreign affairs, and a group of officials from the Ministry of Foreign Affairs and the Ministry of Interior went to inspect things and gather data there. Concerning this trip by the deputy minister of foreign affairs, besides being an indication of the tense situation along the Thai-Burmese border, it was made to study Burma's attitude toward this problem. Because during the past period, some of the clashes between the Burmese government [forces] and the minority groups have spilled over into Thailand, which has resulted in the loss of life and property for Thai people.

During 1983, Burmese entered Thai territory and caused damage three times. The first time was on 30 January. Burmese forces chased Karen liberation forces into Thai territory near Ban Mae Kon Ken in Ma Hawan Commune, Mae Sot District, Tak Province. Two Thais were killed, and 200 village families totalling approximately 1,000 people had to flee.

Then on 21 March, 300 Burmese troops attacked the forces of a minority group and crossed into Thai territory near Ban Bong Noi in Chiang Dao District, Chiang Mai Province. This time, the Burmese boldly burned down a Thai border patrol police station. Four BBP officials were injured and two disappeared.

The next time that Burmese soldiers crossed into Thailand was on 9 July. That time, Burma was conducting a sweep operation against the 6th Division of the Free Karens, which was based on the Burmese side of the border opposite Ban Pharu in Mahawan Commune, Mae Sot District, Tak Province. As a result of this civil war, approximately 500 Karens were forced to flee into Thailand.

"It is this hot pursuit of minority groups into Thailand that has made it necessary for the Thai government to protect itself by building a buffer zone along the Thai-Burmese border, which used to be an uninhabited jungle. The government wants to turn this into a plains area in order to prevent the Burmese from crossing into Thai territory here. At present, it is having the jungle cleared in order to replace the jungle with a crop-growing area," said a news source in the Department of Land Development to ATHIT concerning the government's policy.

Besides clearing the jungle in order to open up the area for farming, the Thai government is allowing the minority groups that have fled from Burma to come grow crops on this newly reclaimed land. "The government's policy is to have these Burmese minority groups serve as a buffer. That is, the Burmese will not be able to advance here since their advance will be stalled by the various minority groups, including the Muser, Karen and Lisu groups," said one official in the area about the Thai government's strategy.



While the negotiation are underway in order to solve the problem officially, the government, through the activities of the Department of Land Development, is quickly clearing the jungle in the border area. To date, several thousand rai have been cleared. "The government wants to complete this as soon as possible in order to establish villages for the minority groups that have fled from Burma. But the problem is that the Forestry Department has not been willing to come stamp the timber that has been cut. Sometimes they are very slow," said one person who has contracted to clear the jungle to ATHIT.

And from conducting an investigation along the Thai-Burmese border, ATHIT has learned that many tribal minority groups have already come and settled down here. These people fled here temporarily. But they have begun to live under the local Thai administrative system. These people respect the local leaders such as the village headmen and kamnans. "The problem is that these people do not have any nationality. They are not Thais, and they are not Burmese. When they are charged of some wrongdoing, they won't agree to abide by Thai laws. I think that this will be a problem in the future. If the government really intends to accept them, this problem should be given careful consideration," said a kamnan in the border area to ATHIT frankly.

In summary, as for the relations between Thailand and Burma, they are relations that are filled with mutual suspicion. On one hand, the Burmese government wants the Thai government to remain neutral in the struggle against the minority groups in Burma so that the government will soon be able to eliminate these groups. But on the other hand, the Thai government is suspicious about the Burmese government's socialist policies. If Burma succeeds in uniting the country, the incursions across the border will become a very disturbing matter.

This can be seen from the appeal for ownership rights to the islets in the Moei River. It is essential that the Thai government formulate a strategic plan for dealing with the minority groups in Burma and maintaining good relations with the Burmese government. And an important thing that the Thai government must remember is that in allowing these minority groups to enter Thailand, they must not be allowed to become enemies of Thailand.

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CSO: 4207/69

## THAILAND

### MILITARY SAID TO SUPPORT STUDENT FACTION

Bangkok MATICHON SUT SAPPADA in Thai 15 Jan 84 p 9

[Article: "Revival of the Student Center; Pressure From the Military Indicates Future of Military Leaders"]

[Text] During the period 12-15 January, Khon Kaen University hosted student leaders from universities throughout the country who came to discuss the development of student activities and the role of the students in the future.

At this seminar on the activities of student organizations throughout the country, there was an attempt by outsiders to exert pressure on the student leaders to discuss the matter of establishing a student activities coordination center. This seminar itself was another step by the students, and it was another important step by these outsiders.

In the past, whenever it was said that outsiders were trying to infiltrate the student groups, most people thought that this referred to both legal political parties and outlawed parties such as the Communist Party of Thailand [CPT]. But in the present situation in which the military has been able to defeat the CPT and is making a great effort to carry on mass activities in all occupational groups, the outsiders who are trying to gain ideological influence over the student leaders are soldiers.

The military tried to interfere in student affairs by giving money to support student efforts to develop the rural areas during the middle of last year. Besides this, whenever students engage in some political activity, such as when they opposed the increase in bus fares and protested against the appointment of the rector of Khon Kaen University, the military tries to maintain close contact with those leading the activities. General Athit Kamlangek, the RTA CINC, has acted like a knight on a white horse who has come to stop the demonstrations.

One student leader told MATICHON that concerning this seminar on the activities of student organizations throughout the country, it was the students who initiated this. That is, the presidents of the student organizations at the various universities felt that it was time to summarize the lessons learned from the recent student activities and to find a

way to improve the activities in order to benefit the public more. Thus, this idea was proposed to the Office of State Universities. After Colonel Athon Chonhenchop, the undersecretary of the Office of State Universities, agreed, the seminar was organized.

A news source in the Office of State Universities told MATICHON that after the Office of State Universities agreed to let the students hold a national seminar, the Office of State Universities sent Mr Trasak Sattrawathit, who is currently helping out at the Office of the Undersecretary of State, to coordinate things with the students concerning holding the seminar.

The same news source also said that the Office of State Universities tried to make three recommendations to the student leaders: 1. This seminar should be a national-level seminar; 2. A student activities coordination center should be established; and 3. General Athit should be the chairman who convenes the seminar.

However, the students accepted only the first recommendation. They suggested that since this was to be a national-level seminar, General Prem Tinsulanon, the prime minister, should be the one to convene the seminar. As for establishing a center to coordinate student activities, the students replied that "this depends on the readiness of each institution."

"We presented the matter of establishing a student activities coordination center at the recent conference held [by students] from nine institutions. The majority felt that the purpose of the seminar on the activities of the student organizations was to improve the activities in order to train good-quality graduates who will be able to go out and serve society. Establishing a student activities coordination center will not solve this problem," said a student leader from Ramkhamkaeng University. And he added that the existing organizations should work to coordinate things between the organizations instead of establishing a new center.

Concerning this, a former student leader from Thammasat University said that the real reason why the student representatives did not accept the recommendation by the Office of State Universities to establish a student activities coordination center was that the students are not yet ready. And they are afraid that this center would be infiltrated by soldiers. It is well known that the present undersecretary of the Office of State Universities, General Athit and Lieutenant General Mana Rattanakoset, the deputy chief of staff of the army, who is in charge of the army's mass activities, are classmates who still maintain close relations. And Mr Trasak is so close to ISOC officials that he has free access to Suan Run [ISOC headquarters].

However, not everyone is against the proposal to establish a student activities coordination center. Some student leaders feel that establishing such a center would be beneficial and that this would make it possible to coordinate things better between the various institutions and with foreign student organizations.

The reason that the army is trying to control the student movement by "dissolving the small groups and creating a large group" is that in the past, the students were such an effective bargaining power that they were able to exert enough pressure to bring about changes.

Concerning this, if the army can gain control of these forces by waving the flag of democracy, which is a factor in merging its interests, it is quite possible that a student center will be established.

But this depends on how the student leaders feel about this and on how great they feel the risk is. Because naturally, the students can unite their groups by themselves. The only thing is how to form an organization with clear objectives and lines.

Because otherwise, they will become the political victim of power groups that want to use their power as a bargaining chip. This provides a clear picture of the political future of senior people in the army.

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CSO: 4207/71

## THAILAND

### FARMER LEADER DISCUSSES RICE PRICE CONTROVERSY

Bangkok MATUPHUM in Thai 9 Jan 84 p 7

[Interview with Sutrom Witchutraiphop, chairman of the Central Committee of the Farmers' Group of Thailand; date and place not specified]

[Text] [Question] Would you give us some background information on the Farmers' Group and tell us what the role of the group is?

[Answer] From the very beginning, the Central Committee of the Farmers' Groups was the creation of the government Field Marshal Thanom, who wanted to unite the commune-level farmers' groups. Thus, Revolutionary Group Order 141 upgraded the Farmers' Group to a juristic entity on 1 May 1972. Later on, the work sphere of the Farmers' Group expanded. The Department of Agriculture Extension, Ministry of Agriculture and Cooperatives, issued an order allowing the Farmers' Group to expand to the district, provincial, regional and national levels. The objective was to turn this into an organization that could coordinate things between the government and the farmers. Representatives were elected from 14 different occupational groups in the agricultural sector. These elections were held at each level, from the commune, district, provincial and regional levels to the national level. Committee members elected me to serve as the national chairman. I was elected in May 1981. This is my second term as chairman (each term runs for 2 years). This committee coordinates things with all the government units concerned with agricultural affairs, particularly the Department of Agricultural Extension and the Marketing Organization for Agriculture.

[Question] How many members does this agricultural group have?

[Answer] Members come from all the communes. One commune may have several occupations. Throughout the country, there are more than 3,800 groups for a total of around 600,000 families.

[Question] Concerning the rice problem, what has been and what is the view of the group?

[Answer] The Farmers' Group is the largest of the occupational groups. We attach great importance to this group. But concerning the rice problem, we have to admit that the problems have continued to pile up regardless of what steps the various governments have taken to solve this problem. However, even though the various policies, including the rice price guarantee, price support and price intervention policies, look good on paper, in actual practice, there has never been a single instance in which the farmers have been able to sell their rice at the guaranteed price. This has also been true during the past several years. I do not think that the main cause of this problem is the government's lack of money to purchase rice from the farmers. The problem stems mainly from the selfishness and greed of Thai merchants. These Thai merchants have been smart enough to involve themselves with the political powers. And they have occasionally played politics themselves. For example, in the large political parties, many of the members are merchants. These people spend huge sums of money to play politics. And after spending such large amounts of money, they hope to get some of it back. This results in some of the policies not being implemented in accord with what was originally intended. For example, the free trade policy reduced the rice premium and the tax. In theory, this was supposed to improve our foreign rice market and bring about good rice prices on domestic markets. But in practice, the merchants have cut up the foreign markets and purchased rice from the farmers at low prices. Thus, the fact that the government has faith in the things [recommended] by the Advisory Council, which is made up of ordinary scholars, means that the government is not basing things on reality. Or it can be said that they are missing the reality of the situation. It's true that rice prices will be better when we sell large quantities. But when will that be--February, March or April? And if that is the period, how will the farmers benefit since the rice will be in the godowns of the rice mills? And if the government wants to talk in a theoretical way, I will do so, too, and say that if it wants to solve this problem, the government must carry out its duties and the merchants must carry out their duties. Everyone must carry out his own duties as well as possible.

[Question] You said that money is not the main problem. But why did Minister Sommai say that the government does not have any money now and so must cut back on things?

[Answer] Actually, the government does not have to cut back on anything. The money that the government will use comes from the farmers, for example, from the Farmers' Welfare Fund, the money for which is collected from the farmers' premiums and taxes. The problem is that the state does not use the money wisely. Instead of using the farmers' money to help the farmers, the government uses it for something else. For example, it gives some to the military and some to other units. Take sugarcare as an example. The government has taken money from this fund for other things but has not gotten all the money back. Sometimes, none of the money is repaid. Thus, this fund has to show a deficit. If real achievements are to be scored, the money must be divided into various funds and each



fund must be targeted for a particular sector, with people prohibited from using the money for something else. Otherwise, whenever money is needed, there won't be any money. It should be specified that this money comes from the farmers and that the money from the farmers will be used for the farmers.

[Question] What do you think the state should do to solve the rice problem?

[Answer] As for solving this problem, I would like to divide things into two periods. In the short term, or in the immediate period, the state should realize the importance of purchasing rice from the farmers, regardless of whether this involves [price] guarantees or intervention, by using money from the Welfare Fund as a revolving fund. This should be done as a guarantee and as a bargaining chip with the farmers so that the farmers see that they should keep some of their paddy to sell to the state. But for the long term, the state should promote the formation of agricultural cooperatives in the villages and build public granaries. When the farmers harvest rice, they can store it in the public granary. Accurate records can be kept. If a farmer needs money, he can use this paddy to obtain a loan from the Bank for Agriculture and Agricultural Cooperatives. Doing things this way will increase the farmers' bargaining power so that they can sell their rice right after they harvest it. Because by the economic nature of things, rice prices will be better at a later period if it can still bring profits. Besides this, it is essential to expand foreign markets as quickly as possible. But we should not bind ourselves to these markets too much since we don't know when world market prices will fall. Thus, we must build security for ourselves.

[Question] Concerning guarantees and intervention, some MPs have said that this has been done in every period but the farmers have never reaped the benefits. Thus, it isn't necessary to do this this year since it just wastes a lot of money. Also, rice prices are fairly good this year. What are your views on this?

[Answer] As for rice prices being good this year, I will agree only that this year's rice prices are higher than last year's prices. But they are still not very good. And the government should not make the mistake of thinking that prices have risen because its marketing policies are good. In fact, prices have risen because of foreign influences. The government played no part in this. As for the benefits not reaching the farmers, I don't think that is entirely true. Above all, it must be understood that our farmers can be broken down into two groups. The first group is composed of those who do not know anything and who haven't joined any group. They sell their rice right after they harvest it. The second group is composed of those who have knowledge and awareness. They know about joining bargaining groups. Those in this latter group have benefitted. Even though the latter group is smaller than the first group, farmers now have more ways of finding out about things.

[Question] According to the principles of rice price intervention, there will be intervention only when rice prices are low. But from what has been said, it seems that rice prices are at an acceptable or good level. For example, in Nakhon Sawan, the price of rice is 3,000 baht. And prices are similar elsewhere, such as in Suphanburi. Since prices are at this level, it doesn't seem to be necessary to intervene. What is your view on this?

[Answer] Concerning this figure of 3,000 baht, I would like to ask what grade of rice that is for. If it's 100-percent rice, the price should actually be 3,600 baht. But it is being sold at 3,000 baht. If it's 5-percent rice, the price doesn't reach 2,600 baht. When talking about prices, you have to consider the grade of the rice, too. But we can also talk about prices without considering the grade of the rice. Suppose that [farmers] in Nakhon Sawan are receiving 3,000 baht, farmers in the northeast or in some other province may be getting 2,600-2,700 baht. It's not correct to pick a price and then say that rice prices are good this year and that it isn't necessary to intervene. Because there may be many other places where the farmers are not getting that high a price. Thus, in determining whether it is necessary to intervene, it is also necessary to look at the place. If prices are good in a certain area, it isn't necessary to give any attention to that area. Attention should be given to other places. It isn't necessary to intervene everywhere. If the government really wants to have price intervention, it can have the provincial governors conduct surveys. Each province can survey prices in the province. If prices in a particular province are good, it isn't necessary to intervene there. This will prevent waste and will provide help to those places that actually need it.

[Question] It will be 9 January before the economic ministers meet to consider the matter, and it will be the 10th before the matter goes to the departments. Thus, before the Marketing Organization for Agriculture receives any money to implement things (in the event that permission is granted), it will be the middle of January. Some opposition MPs have said that nothing needs to be done since it is already too late; the rice is already at the rice mills. What is your view on this?

[Answer] That's better than not doing anything. Because at present, I estimate that at the end of January, in the northeast 30 percent of the rice will still be in the hands of the farmers since they will not sell all the rice. In the north, about 40 percent will still be in the hands of the farmers. In the central region, even though the first crop will have been sold, the annual wet rice crop will be harvested in May. As for the south, since that is my native region, I can assure you that none has been sold yet. Based on these figures, on the average, about half the rice is still in the hands of the farmers. Since this is the case, the government will surely help those who still have some. Many farmers from the northeast have told me that for every 3 kwian [1 kwian equals 2,000 liters] that they harvest, they sell two and keep one to sell to the Marketing Organization for Agriculture. Will the government

disappoint them? If it is feared that the rice mills will profit instead, a system to supervise and inspect things can be established and suitable areas can be selected. This should help solve the problems.

[Question] It is said that the cabinet initially refused to grant permission since the rice purchasing expenditures, per kwian, of the Marketing Organization for Agriculture were too high. It was feared that there was corruption and that too much money was being spent. What is your view?

[Answer] Actually, I once said that an expenditure of 550 baht per kwian was too high. But now, this has declined to 477 baht. I think that this is about right. If the government thinks that that is too much, it doesn't have to do anything. A company that wants to do something has to make an investment. And so can the government expect to carry out some task and not pay any expenses? Materials have to be used, and they have listed the things in detail. I am not saying this just because I side with the Marketing Organization for Agriculture or the Social Action Party. Because actually, personally, I am not involved with them at all.

[Question] If the cabinet refuses to give permission on 9 and 10 January, what will the Farmers' Group do?

[Answer] We frequently say that this situation will show whether or not the government is sympathetic. If the government has no sympathy for us, we will show no sympathy to the government. We also say that if there is a fight, we will fight to win. We won't fight for just a day or two. We will fight until we achieve victory. On 18 January, regardless of whether or not the government gives permission on 9 or 10 January, we will hold a meeting. If it gives permission, we will meet in order to let each representative study prices in his locality and then make recommendations to the Marketing Organization for Agriculture. If the government does not grant permission, we will hold a demonstration. I think that there would first be demonstrations in the provinces. Then, if things do not improve, we will go to Bangkok.

[Question] Aren't you afraid that these activities will lead to political disorder or turmoil?

[Answer] Actually, we are aware that the rice issue is a political issue. The political parties are trying to use this to improve their image. If anything happens, people cannot blame us since we have the right to protect our interests. The fault rests with the government. However, we don't think that things will go that far. We have to be careful and not let any third hand get involved as once happened in Suphanburi. As for the military, we don't think that the military will take this opportunity to take action since they still have a lot of time. But I want to stress that if the government does not give permission and

if, after the conference on 18 January, it is shown that the farmers still have rice and are experiencing problems, we will definitely take action. The director of the Bangkok Peacekeeping Force cannot stop me since he has been applying pressure since last December.

[Question] Do you think that the 9-January resolution will grant permission?

[Answer] Personally, I don't have much hope. But we will have to wait and see.

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CSO: 4207/71

## BRIEFS

FISHING DISPUTE WITH MALAYSIA--Satun MP claims that Malaysian fishing boats are fishing in Thai waters and that boats are being registered in both countries. Thais are being hired to do work. The local Thai fishermen are experiencing problems. Mr Charayut Naowaket, a Democrat MP from Satun, made a statement in parliament on 11 January. He said that at present, fishermen in the southern region, including fishermen in Satun, Krabi, Phangnga, Rangong and Phuket, are experiencing such great problems in earning a living that in the near future, some will starve unless something is done to solve the problems. Mr Chirayut said that recently, large fishing boats have been entering and fishing in the territorial waters of these provinces. Each of these boats is equipped with spotlights all around the boat in order to attract the fish to the light where they can be caught. This has resulted in large numbers of fish, including large and small and male, female and fry, being caught. Thai fishermen have difficulties finding fish. But concerning the fishing boats that are equipped with spotlights. Malaysian investors are the ones behind this. They register the fishing boats in both Malaysia and Thailand and hire Thais to [words missing] the owners of the boats in order to fish in Thai waters. After making a catch, the fish are sold in Malaysia. In Satun Province in particular, there are approximately 100 such boats. Mr Chirayut also said that besides this, the opening of a recreational area in the sea has resulted in fishermen being arrested for encroaching on the area. This happens because the area is not marked off. They are fined, and this causes problems for them. [He said that] he will try to propose a law in order to solve the problems that have arisen. [Text] Bangkok MATICHON in Thai 12 Jan 83 p 3] 11943

CSO: 4207/71

## FOREIGN MINISTER OUTLINES VANUATU'S FOREIGN POLICY

Vila TAM TAM in English 4 Feb 84 pp 13, 14

[Text]

The Minister of Foreign Affairs and External Trade, Mr Sela Molisa told Parliament on January 27 that Vanuatu's future foreign policy outlook would continue to reflect Vanuatu's national interests, its place in the Pacific region and the world community at large.

Mr Molisa also said in this 'foreign policy statement' that the developments and friendly relations established with overseas countries since independence were achieved as a result of 'the kind support and recognition of Vanuatu rendered by countries and organisations that have had traditional ties with us'.

Here is a text of the Minister's statement in full:

#### **Foreign Affairs and representation arrangements**

The principle functions of the Department of Foreign Affairs during the term of the previous Government have been to advise the Minister responsible and the Council of Ministers on foreign policy initiatives and related operational matters, and the administration of such policies. Foreign

Affairs also dealt with aid liaison work, protocol duties and consular liaison work. With the inclusion of External Trade in my present Ministerial Portfolio, these roles will be expanded to include external trade liaison work, conduct of promotional work overseas, and investigation of markets for Vanuatu's produce abroad through bilateral and multilateral avenues.

The Ministry currently employs 13 officers, but with its increasing responsibilities, the number of officers will eventually go up to cater for our domestic and external staffing requirements.

In terms of training, plans are being considered to introduce our own basic training courses for diplomatic, consular and administrative officers at the Vanuatu Center for International Relations. Meanwhile our junior diplomatic officers will continue to attend the Australian Foreign Service Training Course, and I wish to take this opportunity to thank the Governments of Australia, Britain and France for their readiness to offer training to our officers at their respective training institutions.



In operational terms, Vanuatu's foreign service is operated through its Headquarters in Port-Vila, relying on our limited presence at the UN, periodic missions abroad by Vanuatu's Roving Envoy and delegations, normal liaison with missions of its friends and other ad hoc arrangements for its representational activities. These arrangements have proved to be the most efficient and will continue until such time that we can afford to act fully on our own behalf including setting up of permanent mission overseas at diplomatic, consular, commercial and other levels.

The establishment of overseas resident missions will depend to a large extent upon our financial capability. Meanwhile priority shall be given to the reappointment of Roving Ambassadors to be accredited to countries and organisations with which Vanuatu has diplomatic relations and membership; secondly, to consider central locations abroad where some sort of initial limited presence could be developed into full permanent missions in the future. Vanuatu's UN Office in New York was set up in 1983 by the Commonwealth Secretariat with the generous financial assistance given by Australia to Small Island State members of the Commonwealth. The annually designated Vanuatu Special Representative to the UN, Mr Robert Van Lierop, will be handling our UN affairs through this office until the Government can post an officer from Vila to this office, I have no doubt that this office will eventually be developed into our diplomatic mission to the United Nations and the United States.

Considering Vanuatu's historical and economic links with Europe, particularly with Britain and France, plans will be considered for permanent representation at a central location, perhaps more in relations with EEC to begin with. I also believe that the Asia/S.E. Asia region and North America will become more important to Vanuatu in the near future, and therefore our representation plans will eventually have to reflect this.

Equal emphasis will be given to improvement of means and ways through which Vanuatu's economic and commercial interests could be promoted overseas. In this regard, we hope to give our full assistance to organisations and private firms whose services have been recruited by the Government.

#### Bilateral Relations

The Republic of Vanuatu has up to now established diplomatic relations with thirty-four countries: ten in the South Pacific region; eleven in the Asia/S.E. Asia region; nine in Europe; two in Africa; one in North America; and one in Central America.

Based upon its Policy Platform, the Government has concentrated on formalising its ties with countries in the Pacific region and elsewhere, where Vanuatu has traditional links. It will obviously be a matter of time before we secure new diplomatic ties with countries in other regions of the world.

Australia, Britain and France set up full resident missions in Port-Vila as from independence. I sincerely hope that more of our friends will follow suit in the near future. Sixteen countries which have diplomatic ties with Vanuatu have accredited their representatives and missions to Vanuatu from capitals of neighbouring countries. For its part, Vanuatu has accredited its Roving Ambassador to Australia, Britain, France and the People's Republic of China; and this accreditation will be extended to cover all Forum Countries, the United Nations and other countries where it is possible.

So far Vanuatu has consular relations with Switzerland, and the Swiss Consular mission in Sydney is accredited to Port-Vila. Meanwhile the United States, Israel, the Republic of Kiribati and the Socialist Republic of Nicaragua have indicated interests in establishing diplomatic ties with Vanuatu. These will be processed this year.

#### **Regional and international co-operation**

Vanuatu's experiences in relation to its memberships in international organisations, agencies and specialized bodies have been both rewarding and challenging. For a country dependent to a large extent upon external aid for its budgetary and development finance, we tended to consider the value of our multilateral associations in terms of securing additional financial, manpower and other forms of technical assistance. Of equal importance is Vanuatu's ability to effectively participate in discussions of international issues, which affect our political and economic wellbeing, in major

international for a such as the South Pacific Forum, the Commonwealth, the Non-Aligned Movement, the United Nations and the World Bank.

At the same time, the Government recognises the increasing burden of its multilateral associations, particularly its financial contributions to major regional and international organisations. Hence it will be a Government policy to undertake periodic reviews of our commitments to these organisations, taking into account benefits derived from their activities.

In the Pacific context, Vanuatu is a full member of the South Pacific Forum and its executive body (the South Pacific Bureau for Economic Co-operation), the Forum Fisheries Agency, and steps are being taken to acquire full membership in the South Pacific Commission. Whilst we will continue to actively participate in the activities of these regional bodies, there tends to be an increasing number of regional institutions which duplicate each others roles in certain areas of activities, such as in fisheries. Such duplication will only result in wastage of scarce resources, and creation of new entities will only put more strains on the budgets of small countries like Vanuatu. We therefore support the concept of a Single Regional Organisation as the basis to ensure that regional bodies exist to serve the member countries rather than compete with each other. However we shall give our continual support to programmes of co-operation undertaken regionally, especially in the fields of fisheries and related maritime matters, trade, civil aviation, shipping, telecommunications, energy development, rural development and training.

Vanuatu's membership to the ACP (Africa, Caribbean and Pacific) grouping of the European Community not only entitles the Republic to benefit from a whole range of economic assistance programmes made available under the Lome Convention arrangements, but this association also provides us

with a wider range of links with Europe which could form basis for future co-operation with Europe, particularly economic links. As an area of emphasis in the current negotiations for the Lome II successor Convention, ACP countries, (including Vanuatu) put a high priority to finding areas which could attract European investors into their respective regions or countries. We have been fortunate that financial assistance has been secured under Lome II from the

STABEX scheme, to set up our Copra Price Stabilization Scheme. Apart from further assistance and attracting European investments in Vanuatu, we shall also be trying to secure European markets for our export commodities besides copra.

It is through its links with the Commonwealth, the Agence de Co-operation Culturelles et Technique (ACCT) and the Non-Aligned Movement that Vanuatu established the basis for future possible bilateral ties with countries in Africa, Asia, Far East, S.E. Asia, North America, Central America and South America.

I am grateful to note that our ties with the Commonwealth and the ACCT provide Vanuatu with access to assistance programmes, which are particularly relevant to the needs of its people. ACCT has so far provided the much needed assistance for in-service training of french-speaking Ni-Vanuatu public servants, to supplement the French Government's bilateral assistance.

Vanuatu's admission into the Non-Aligned Movement is a natural progression in the development of the Government's non-alignment approach to its foreign policy. This is not inspired by intentions to adopt any ideological tendencies, because the Government of Vanuatu and the Vanuaaku Pati do not profess any. We believe that as an international forum which comprised nations across ideological tendencies, the Non-Aligned Movement is an effective lobby group in any international gathering. The Government sees value in becoming a member to this international Movement which had been playing an important role in negotiations

between the developed and the developing world.

Vanuatu joined the Asian Development Bank, the International Monetary Fund and the World Bank as part of an overall Government strategy to establish a stable base to develop its national economy. We sincerely hope that as the world economy recovers further, these financial institutions will continue to make available financial assistance on concessionary terms more attuned to the development requirements and problems of its members. Nevertheless, the Government greatly appreciates the financial assistance and other forms of assistance it has received from these institutions. The recent decision by the Asian Development Bank to decentralize its operations into the Pacific is greatly welcomed by the Government, and we still hope that the ADB regional branch will be located in Port-Vila.

Being member to these numerous regional and international organisations and institutions also means that we have to attend more meetings and conferences. While we have to attend to these commitments, it has also become an established Government policy to host some of these

meetings and conferences in Port-Vila. This policy partly led to the establishment in 1983 of the Vanuatu's Center for International Relations. Apart from being equipped for its training role, the Vanuatu Centre is being equipped with modern international conference hosting equipments and facilities, with generous backing by the ACCT which provided funds for its establishment.

Similarly, it will continue to be a Government policy to encourage regional bodies and international organisations to set up regional branches in Port-Vila, since we are blessed with our geographical and linguistic central location in the Pacific, and we do have excellent telecommunication links with the outside world.

#### **Conclusion**

Mr Speaker and Honourable Members, we are all aware of the fact that our foreign policy and initiatives, very much like our approach to development, are often misunderstood or misinterpreted. Often this is due to genuine misunderstanding ; but I have a feeling that at times misinterpretations have been quite deliberate. We have all been entertained by the foreign media with specula-

tions as to what our real intentions are. It has for instance been assumed in certain quarters that Vanuatu is, or indeed, must be someone else's proxy, merely because we exercised our sovereign right to choose our friends or to speak up unequivocally on issues important to us.

All I know, Honourable Members, is that we have merely been trying to build up Vanuatu into a better place for its citizens and people to live in. Furthermore, my Ministry will continue to exchange views with its neighbours in the Pacific and friends to search for better basis for co-operation, so that the Pacific will always remain a region of peace and stability. I must point out however, that so long as the wishes of the Peoples of this region, like the aspirations of the people of New Caledonia for independence and the wish of the People and Governments of the Pacific for a nuclear free zone, continue to be ignored, there is no reason to expect contentment in the region for some time yet. It is therefore our view that, guaranteeing peace, stability and prosperity in the Pacific takes more than keeping unfriendly powers out that is to say that we must always give priority to the wishes and needs of our people.

BRIEFS

NEW PARLIAMENT HOUSE--The Chinese Government has agreed in principle to fund Vanuatu's new parliament House, according to Mr Nike Nike Vurobaravu of the Ministry of Foreign Affairs. The Clerk of Parliament, Mr Lino Saksak, confirmed that the Committee of Parliament last year agreed on a site in the Colardeau Estate which lies between Vanuatu Motors and the Public Works facilities behind Independence Park. He said a seven-man Chinese study Team is currently in Port Vila doing a feasibility study of the project. [Text] [Vila TAM TAM in English 4 Feb 84 p 1]

CSO: 4200/526

## MILITARY AFFAIRS AND PUBLIC SECURITY

### COORDINATION BETWEEN HO CHI MINH SECURITY FORCES DESCRIBED

Hanoi QUAN DOI NHAN DAN in Vietnamese 28 Dec 83 p 2

[Article by Nguyen Phuc Am based on remarks by Lieutenant Colonel Nguyen Thanh Quang, commander of the Ho Chi Minh City Military Control Group: "Coordinating the Forces That Maintain Security and Social Order: Like Twin Brothers"]

[Text] These are the words that are affectionately spoken by the men and women of the city that bears the name of the revered Uncle Ho concerning our public security forces and military control troops. The people say this not simply because they see these forces walking down the streets in pairs, see that they have the same cheerful, young faces and wear similar uniforms and caps or because they have watched the two forces perform the same job of keeping the streets safe and orderly and seen that they are both close to the daily lives of the city's residents. All of this is true! However, their main reason for saying this is that through the jobs that these forces have performed, the people have noticed that these two forces are always closely united, always assist each other, are united in will and thinking and always act in a courageous and resolute manner! What is it that has brought us together in such a natural manner, has caused us to deeply empathize with each other and share difficulties? It is our task! It is our understanding of our task, our understanding of the requirements of the situation that we must meet. We understand that the specific work of each force can differ but the overriding requirement, the largest objective is to work together to maintain political security and social order within the city as best possible! This city, which was once the nerve center of the U.S. imperialist aggressors and the main stronghold of the lackey reactionaries, is a city in which the influence of the capitalism of colonialism, both old and new, is still strong. Today, on the basis of the city's historic, geographic and economic circumstances, the enemy, especially the Chinese expansionists and hegemonists together with the U.S. imperialists, still consider it to be a focal point of their wide-ranging war of sabotage. It is a city that is not very large but has a very large population encompassing very many segments of society, religions and so forth.



The city is a center of activity of the South and the entire country, is a place that has broad international trade relations. Each day, more than 200,000 four-wheel vehicles travel its streets. We frequently refer to the city as the "pivotal point" in the three sharp struggles being waged now, the struggle between the enemy and ourselves, the struggle between the two ways of life and the struggle against negative phenomena in society. The cadres and soldiers of our two forces clearly understand their city and know the area in which they are working to maintain security and order. This profound realization has brought us close together in the performance of our work, in our actions! Together with the municipal Public Security Service, we have formulated a plan and assigned responsibilities to one another for performing our task, set up common checkpoints and organized joint mobile patrol units of the two forces. Security is provided for major conferences, for delegations of international guests and provided on holidays, during festivals of the people and during Tet in accordance with a common, coordinated plan. We also organize joint activities, such as physical culture exhibitions, athletic contests and demonstrations of the martial arts and even festivals to celebrate victory! There are some jobs that we tell each other we should perform, the public security forces tell the military control troops and vice versa. This style and these practices have brought us additional strength, additional intelligence and a greater ability to excellently complete our tasks. During the past year, we adopted joint plans, combined our efforts, provided security for and insured the success of all conferences and festive occasions, from the city's 3rd Party Organization Congress to the fifth visit of friendship between Vietnamese and Soviet youths, from the international soccer matches and visits by foreign delegations to the conferences of the central level held in the city. The two forces have also jointly participated in a number of "battles" and several "campaigns," such as the campaign to track down and apprehend hoodlums operating along railroad lines and the "battle" against persons who steal electricity and manufacture illegal goods, as a result of which 2.5 million kilowatts worth nearly 1 million liters of oil, the equivalent of 250,000 dollars at import prices, were reclaimed.

The closeness and unity between the two forces have not only created a major strength in the maintenance of political security and social order and safety, in general, but have also created favorable conditions for each force to complete its separate task well. For example, one of the required functions of the military control troops is to maintain the discipline of military personnel on the streets. During the past year, as a result of the two forces always coordinating with each other, relying upon each other and creating the momentum for each other, we achieved many good results in the performance of this function: we inspected and issued reminders to 12,548 military personnel and 6,266 military vehicles; confiscated many types of contraband; arrested more than 300 youths who were impersonating army personnel, etc. We even coordinate with the public security forces in jobs that can be said to be entirely the responsibility of military control troops but which, without the assistance of public security forces, would truly be difficult to complete, such as the handling of incidents that tarnish the good name of our disabled veterans. This city is a place to which disabled veterans from many local units come while awaiting the benefits due them under policies and it is also the site of many hospitals and convalescent camps as well as wounded veteran



trade schools of the Ministry of War Invalids and Social Welfare; as a result of this, involved incidents were occurring from time to time. Not believing that our disabled veterans were responsible for what was happening, we conducted a careful investigation and, as suspected, found that beside a number of genuine disabled veterans (who had been provoked by the enemy), the rest of the persons involved were disabled veterans of the old puppet army, hoodlums in society impersonating disabled veterans and some corrupt military personnel who had been thrown out of the army. They had joined forces to commit fraud, smuggle goods, take advantage of policies to make a profit and bring dishonor upon the system. A detailed plan for establishing coordination between public security forces and military control troops was devised. At the places where these incidents were occurring, we deployed people's informers of the precinct, public security reconnaissance personnel and our own reconnaissance personnel to closely observe the situation. When an "incident" occurred, the three forces together identified each type person involved, determined who the culprits were and then each force acted in accordance with its duty: the public security personnel stopped and punished the provocateurs and those who were impersonating disabled veterans while we took the genuine disabled veterans back to persuade them to change their ways and show them the difference between right and wrong.

"Like twin brothers"--this is how the people of the city that bears the name of Uncle Ho appraise and refer to our two forces. During the past 3 years, especially in 1983, as a result of the unity and close coordination between our two forces, the maintenance of political security and social order and safety within the city has improved, dishonest activities and negative phenomena have gradually declined and the good qualities and ethics of the revolutionary soldier, of the new, socialist man have developed! The image of the "twin brothers" will forever be preserved and enhanced by us.

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MILITARY AFFAIRS AND PUBLIC SECURITY

READER CONDEMNS ILLEGAL BUSINESS TRANSACTIONS OF DISABLED VETERANS

Hanoi QUAN DOI NHAN DAN in Vietnamese 27 Dec 83 p 3

[Readers' Letters column: "The Anise Business on the Hanoi-Lang Son Train Must Be Stopped"]

[Text] On each trip of the Hanoi-Lang Son train, there are seven to eight private individuals, all of whom are disabled veterans, who use the train to trade in anise from Lang Son to Hanoi. When they leave Hanoi, they take with them goods that are managed by the state; when they return from Lang Son, each person brings back 100 to 150 kilograms of anise flowers. The price of anise in Dong Mo in Lang Son Province is 25 dong per kilogram; in Hanoi, it is 50 to 55 dong per kilogram. When they arrive at their destination, where buyers are already waiting, they merely take payment and hire a vehicle to take the goods from the station. They can make the round trip in the same day. I do not understand why these persons are given special "priority" when they board the train. All of them board the train with their arms full, pay no taxes on their goods, are not required to buy a passenger ticket and are never inspected by personnel on the train. According to these "disabled veterans," they only incurred losses during the first few trips, after which they arrived at fixed prices and were able to travel back and forth very easily; if any railroad station causes them a problem, they are prepared to immediately deal with it as a group.

I have learned that these persons come from different places and have been travelling on the train for a few months. They are still using the Hanoi-Lang Son train for business transactions and have never been inspected or stopped.

It is suggested that the responsible agencies conduct a thorough inspection and prohibit the illegal sale of anise in order to insure that the state encounters no problems in its procurement of anise.

Vu Can Than

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## AGRICULTURE

### CONFERENCE REVIEWS WATER CONSERVANCY WORK

Hanoi QUAN DOI NHAN DAN in Vietnamese 28 Dec 83 p 3

[VNA News Release: "The Water Conservancy and Power Sectors Coordinate in Supporting Agricultural Production"]

[Text] Recently, in Nam Dinh City in Ha Nam Ninh Province, the Ministry of Water Conservancy and the Ministry of Power held a joint conference to review water conservancy work and the use of electric power in support of agricultural production and discuss ways to establish ties with each other and coordinate in supporting agricultural production better, especially providing the irrigation water needed during the 1983-1984 winter-spring season in the 10 key rice growing provinces of the Red River Delta.

In recent years, with large investments by the state, the 10 key rice growing provinces of the Red River Delta constructed enough water conservancy projects to irrigate and drain about 80 percent of the land under cultivation. They constructed 1,889 electric pump stations with a total capacity of 330,000 kilowatts to irrigate 680,000 hectares and drain 500,000 hectares, which represent more than 60 percent of the land under cultivation and about 70 percent of the annual rice output of the entire region. The electricity supplied to agriculture ranges from 250 million to 300 million kilowatt hours per year, roughly 70 percent of which is supplied to the pump stations. From 30,000 to 40,000 kilowatt hours of electricity are supplied during the winter-spring season and from 35,000 to more than 100,000 kilowatt hours during the 10th month season. The power sector and the water conservancy sector, in particular, have made many efforts to manage and utilize projects, water conservancy systems and power sources well, provide sufficient irrigation and drainage, alleviate waterlogging and drought, provide sufficient water for dry-land plowing for main crops and practice scientific irrigation and drainage, thereby helping to raise crop yield and output. During the 1983 10th month season, the water conservancy sector directed the various sectors and levels in a concerted effort to fight the drought; by using every means available and allocating electricity to pump stations in coordination with the rainfall from typhoon number 3, the drought was overcome and the required amount of land was put under the cultivation of 10th month rice.

At the end of the season, heavy rains and flooding caused waterlogging on much land under the cultivation of 10th month rice; at one time, as many as 248,000 hectares of rice were inundated and many areas were inundated numerous times. The Ministry of Water Conservancy, in close coordination with the Ministry of Power, promptly provided the necessary sources of electricity, operated them at full capacity and provided a continuous supply of power to pump stations for many days, thus enabling them to drain the water and control the waterlogging. As a result, the provinces of Thanh Hoa, Ha Nam Ninh, Ha Son Binh, Hai Hung and Ha Bac put all of their drainage pumps into operation, using more than 110,000 kilowatts at one point, and saved virtually all rice that had been inundated, with crop failures or insignificant harvests being recorded on only about 37,000 hectares.

However, water conservancy work, especially the supply, management and use of electricity for pumps to combat drought and waterlogging, is still marked by many shortcomings. Many places are not fully aware of the biological nature of agricultural production, consequently, electricity is frequently not supplied in a timely manner, is not used efficiently and the resulting waste of capacity and time has directly affected the results of the effort to combat waterlogging or drought, directly affected crop yields and output. The results that were achieved in the effort to combat waterlogging during the recent 10th month season have provided many valuable lessons, especially with regard to the close coordination among the water conservancy, power, meteorological and agricultural sectors and well coordinated, timely guidance by the various sectors and levels.

In order to support agricultural production better, especially during this winter-spring season, the power and water conservancy sectors have taken uniform organizational measures, adopted regulations governing the coordination between them and formulated plans for supplying electricity to irrigate 688,560 hectares, which include 516,200 hectares of rice and 172,360 hectares of vegetables and subsidiary food crops, and, in particular, providing irrigation water throughout the season to the 477,000 hectare high yield rice growing area that lies within the electric pump network.

The water conservancy sector has drawn up plans for obtaining water from reservoirs, self-regulating projects and the system of electric pump stations and has guided the various installations in repairing their canals and ditches, repairing their machinery and equipment and using water in an economical and highly efficient manner.

The power sector has put into effect an electricity allocation plan that provides from 65,000 to 70,000 kilowatts for pumping water from fields to dry them out, 25,000 to 30,000 kilowatts for irrigating winter crops, 20,000 to 40,000 kilowatts for irrigating rice and from 50,000 to 55,000 kilowatts in reserve for combating drought in the middle of the season. The water conservancy sector has worked closely with the power sector and the agricultural sectors to arrange the schedules for dry land plowing and planting, schedule the supplying of electricity to each locality between plowing and planting in order to avoid tightness in the supply of electricity and closely inspect the distribution and use of electricity to insure that they are reasonable, economical and highly effective. To insure close ties in

their support of agriculture, the Ministry of Power, the Ministry of Water Conservancy and the Ministry of Agriculture meet once each month to coordinate planting and irrigation schedules and, on this basis, adopt plans for supplying electric power in an efficient manner. When dry fields are being plowed for main crop cultivation or during serious drought, the three ministries meet once each week. The power distribution committees in the various localities also hold periodic meetings for the purpose of distributing and utilizing electricity in an efficient and economical manner based on generating capacity and the amount of electric power supplied to each locality. Installations have gradually linked the responsibility of electric power workers, pump station workers and the workers of the farmland water conservancy networks to the results of agricultural production and have guided cooperatives and farmland water conservancy units in constructing additional canals and ditches to bring water to each plot and fully complying with the irrigation and drainage plan in order to better support production and the product contract movement within the agricultural cooperatives.

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